Euromoney Institutional Investor PLC

Half Year Report 2020

Euromoney Institutional Investor PLC
("Euromoney")

Half Year results
4 June 2020

Strongly positioned in challenging environment

Euromoney, the international information business providing essential B2B information to global and specialist markets, announces results for the six months ended 31 March 2020.

£'m unless stated	H1 2020	H1 2019	Change	Underlying[2] change
Adjusted[1]				
• Revenue	**186.3**	184.9	1%	0%
• Operating profit	**41.1**	46.2	-11%	1%
• Operating profit margin	**22%**	25%	-3ppt	0ppt
• Profit before tax	**39.3**	46.1	-15%	-1%
• Diluted earnings per share	**29.7p**	34.3p	-13%	
Statutory				
• Revenue	**186.3**	184.9	1%	
• Operating profit	**37.4**	49.6	-25%	
• Profit before tax	**37.4**	49.3	-24%	
• Diluted earnings per share	**37.5p**	32.9	14%	
Net cash	**8.1**	29.3	-72%	
Half year dividend per share	**-**	10.8p		

[1] A detailed reconciliation of the Group's adjusted and underlying results is set out on pages 6 to 9 of this statement.
[2] Underlying measures are adjusted results stated at constant exchange rates, including pro forma prior year comparatives for acquisitions and new business launches and excluding disposals, business closures and event and publication timing differences.

Strategic and operational highlights

- Euromoney responded quickly to challenges from covid-19
    - Health and wellbeing of employees, customers and business partners remains top priority
    - Rapid action taken to reduce costs and preserve cash
    - Nimble execution will allow us to restart events as soon as markets open; running virtual events in meantime
- Strong balance sheet
- 3.0 strategy re-affirmed – must-have, embedded content more important than ever
- Asset Management retained; robust plan to return segment to growth showing promising early signs. The non-vote, subscription Book of Business for Investment Research (BCA Research and NDR) targeted to return to growth by the end of financial year 2022
- Continued investment in Data & Market Intelligence (DMI) driving growth in that segment; now two out of three segments (DMI and Pricing) are delivering underlying growth
- Continuing to find attractive opportunities for M&A: acquired Wealth-X and Census Commodity Data (AgriCensus)

Financial highlights

- Group revenue grew 1% and included a 5ppt reduction from events cancelled as a result of covid-19; underlying flat
- Data & Market Intelligence revenue grew by 4% on an underlying basis and Pricing by 3%; Asset Management revenue declined by 5%, in line with recent trends
- Subscription revenue two thirds of total; Pricing subscription revenue grew 8% on an underlying basis. Data & Market Intelligence grew subscription revenue by 6% underlying, including growth in People Intelligence and Next Gen
- Adjusted profit before tax declined 15%, primarily impacted by events cancelled due to covid-19 and Asset Management decline
- Robust balance sheet with net cash £8.1m at 31 March 2020
- Bank facilities of £188m, extended to December 2022

Andrew Rashbass, CEO, said:

"Euromoney's 3.0 strategy delivers must-have, embedded content. This strategy has never been more relevant and drives the momentum we see across our businesses. We have underlying growth in two of our three segments; strong performance in Pricing, and good growth in Data & Market Intelligence following our investment in that segment; and we see promising signs that our turnaround plan for our Asset Management businesses is working. We have taken swift action to address and manage the impact of covid-19, which creates short-term uncertainty in our business, particularly our events. We are ready to run our market-leading events when restrictions on face-to-face gatherings are lifted; until then, we will run virtual events where they deliver value to clients. Our strong balance sheet and resilient renewal

rates in our subscription businesses, which make up two thirds of revenues, give us confidence that we will emerge strongly from the current global crisis".

Operating Review

The first half of the year saw growth in revenue of 1%, reflecting the performance of our Pricing and Data & Market Intelligence segments and the contribution from acquisitions, partially offset by the impact of covid-19 on events and the performance of our Asset Management businesses. On an underlying basis revenue was flat, with growth in both Pricing and Data & Market Intelligence, offset by continued headwinds in Asset Management. Towards the end of this period, Euromoney experienced disruption to its business across much of the world as a result of covid-19. Commencing in February, we started to cancel or postpone live events as a result of covid-19, as governments and corporations placed restrictions on travel and face-to-face meetings. Events cancelled and postponed as a result of covid-19 reduced revenue growth by 5ppt and operating margin by 2ppt. We have already run 44 virtual events during the covid-19 affected period. During these unprecedented times Euromoney's priority has been the health and wellbeing of employees, customers and business partners.

Euromoney's 3.0 strategy of focusing on content embedded in the workflow meeting critical customer needs is more relevant than ever. Over time the strategy will increase the proportion of revenues derived from recurring subscriptions, which was 68% in the period. Aligned with this strategy, Euromoney made two highly complementary acquisitions in the half year. On 25 November 2019, Euromoney announced the acquisition of Wealth-X for $21.4 million. Wealth-X is the market-leading provider of data-driven intelligence on the world's wealthiest individuals and is a strong strategic fit with BoardEx, the executive profiling and relationship mapping business. On 9 March 2020, Euromoney acquired Census Commodity Data, which primarily operates through its brand AgriCensus and serves as a Price Reporting Agency (PRA) for the global agricultural commodity markets.

On 30 April 2020, Euromoney announced the conclusion of the strategic review of its Asset Management businesses, which consist of Institutional Investor, BCA Research and NDR. Following an extensive review process, we concluded that the best outcome for shareholder value is for Euromoney to remain the long-term owner of all three businesses, which have high levels of recurring subscription revenue, attractive profit margins and strong market positions. Euromoney is pursuing a strategy aimed at returning the Asset Management segment to growth, based on continued investment in sales and marketing; increased cross-selling of products; closer alignment of the businesses and new product development opportunities. In the period the business experienced an encouraging strengthening in renewal rates.

Revenue increased 1% to £186.3m. Underlying revenue was flat with 4% underlying growth from Data & Market Intelligence and 3% from Pricing, offset by Asset Management, where underlying revenue declined 5%. Subscription revenue increased by 1% on an underlying basis. Pricing subscription revenue grew 8% and Data & Market Intelligence subscription revenue grew 6%, offsetting a 6% decline in the Asset Management segment. Events revenue, which represent 24% of total revenue, declined by 3% on an underlying basis. Events in the Data & Market Intelligence segment were flat on an underlying basis but events in the Asset Management and Pricing segments both declined. Advertising and other revenue, which represented 8% of total revenue, grew by 3% on an underlying basis.

On an underlying basis adjusted operating profit increased 1%, with growth in Pricing and lower central costs partly offset by a decline in Asset Management. Adjusted operating profit of £41.1m declined by 11% primarily as a result of events cancelled or postponed as a result of covid-19. The adjusted operating profit margin declined by 3ppt compared to last year mainly due to events cancelled or postponed as a result of covid-19 and acquisitions. Adjusted profit before tax declined 15%, reflecting lower operating profit and higher interest costs, which was mainly due to the adoption of IFRS 16. Adjusted diluted earnings per share declined 13% to 29.7p (2019: 34.3p). Statutory profit before tax was £37.4m (2019: £49.3m).

Segmental Review

As previously announced, for the current financial year Euromoney is reporting under three new segments: Asset Management; Pricing; and Data & Market Intelligence. Fastmarkets, the PRA, is reported as a separate Pricing segment. Data & Market Intelligence is made up of the Telecoms division and the Financial & Professional Services division, which delivers workflow solutions, market intelligence and business development services, primarily to financial and professional services customers.

Adjusted results for the six months ended 31 March 2020

	Total Revenue								**Adjusted operating profit**		
	Subscriptions		**Events**		**Advertising & Other**		**Total**		**Total**		**Margin**
	£'m	**Growth[1]**	**£'m**	**Growth[1]**	**£'m**	**Growth[1]**	**£'m**	**Growth[1]**	**£'m**	**Growth[1]**	
Asset Management	56.0	(6%)	4.8	(11%)	5.6	16%	66.4	(5%)	26.1	(10%)	39%
Pricing	36.1	8%	6.4	(11%)	1.8	(33%)	44.3	3%	17.3	6%	39%
Data & Market Intelligence	34.5	6%	33.9	0%	7.7	8%	76.1	4%	13.4	(1%)	18%
	126.6	**1%**	**45.1**	**(3%)**	**15.1**	**3%**	**186.8**	**0%**	**56.8**	**(3%)**	
FX losses on forward contracts	-		-		(0.5)		(0.5)		(0.5)		
Central costs	-		-		-		-		(15.2)	13%	
Total	**126.6**		**45.1**		**14.6**		**186.3**		**41.1**	**1%**	**22%**

[1] Values shown above are adjusted, and growth percentages underlying and compared to the first half last year. Underlying and adjusted measures are explained on pages 6 to 9 of the appendix to this statement.

Asset Management

Asset Management revenue (35% of total revenue) decreased 6% on an adjusted and statutory basis and was down 5% on an underlying basis, with continued declines in subscriptions, down 6%, in line with the performance in the last financial year. Advertising and other revenue grew, driven by strong sales in Institutional Investor media and research. In the Investment Research Division (IRD) renewal rates progressively increased during the period. IRD new sales have improved since September 2019, up until the impact of covid-19, benefiting from the investment in sales and marketing and higher client demand for high quality independent research. The combination of stronger renewal rates and improved new business is targeted to return the non-vote subscription Book of Business[1] to growth by the end of financial year 2022. Book-of-business will earn out into subsequent revenue growth which is targeted for the financial year 2023.

Asset Management adjusted operating profit decreased 11% and 10% on an underlying basis, driven by the decline in subscriptions at IRD.

Following the conclusion of the strategic review, Asset Management is no longer reported as discontinued operations and held for sale in the Condensed Consolidated Interim Financial Statements.

Pricing

Revenue in the Pricing segment (24% of total revenue) declined 1%, with operating profit growing 1%. On an underlying basis revenue grew 3%, with underlying profit growth of 6%. Subscription revenue, which accounts for 81% of total segment revenue, grew 8% underlying, with continued strong data-licensing sales. During the course of the half year Pricing experienced some impact on new sales and renewals from Asia focused clients as a result of Asia being affected by covid-19 earlier than the rest of the world. Events revenue, which account for 14% of segment revenue, declined on an underlying basis, continuing the soft trend previously disclosed at the Q1.

The Pricing segment continues to invest in future growth. The roll-out of the new Fastmarkets platform continued and is delivering enhanced value to customers. Fastmarkets is increasing the number of prices that go through the rigorous IOSCO assurance process, with a total now of 21. Following the acquisition of AgriCensus, agricultural commodities have become Fastmarkets' third commodity vertical in addition to its leading market position in forest products and metals and mining. AgriCensus provides much-needed price discovery in opaque, global and increasingly sophisticated markets and is leveraging Fastmarkets' established reputation in pricing and access to its global PRA infrastructure.

Data & Market Intelligence

The Data & Market Intelligence segment (41% total revenue) includes the newly formed Financial & Professional Services division, which brings together complementary brands that deliver domain expertise and relevance for clients via embedded workflow solutions and events. We are investing in technology and product management to create efficiency and scale across the division.

DMI segment revenue increased 9% on an adjusted and statutory basis, with underlying revenue growth of 4% and benefit from acquisitions partly offset by events cancelled and postponed as a result of covid-19. Subscription revenue, which accounts for 45% of segment revenue, increased by 6% on an underlying basis, benefiting from strong growth in our People Intelligence and Next Gen pillars. Renewal rates remained high during the period, demonstrating the stickiness of solutions embedded in clients' workflow. Events revenue was flat on an underlying basis.

The acquisition of Wealth-X, the market-leading provider of data-driven intelligence on the world's wealthiest individuals complements BoardEx, a leader in executive profiling and relationship mapping. These businesses delivered combined underlying revenue growth of 11%.

Adjusted operating profit declined 30%, mainly due to cancellation and postponement of events. Underlying operating profit declined 1% as a result of previously announced investment to drive revenue growth.

Other Financial Information

Tax

The Group's statutory effective tax rate is -8% for the period ended 31 March 2020 compared to 28% in the first half of 2019. The decrease is driven by large current and deferred tax credits in respect of amendments to US corporate state income tax filings and the recognition of state tax losses respectively, which was partially offset by a tax charge arising on exceptional items. The basis for the calculation of the effective tax rate and further details relating to the US state income tax adjustment can be found in note 7.

The adjusted effective tax rate for the period ended 31 March 2020 is 19% (2019: 20%) which is based on adjusted profit before tax and excludes deferred tax movements on intangible assets, tax on exceptional items, prior year items and other tax adjusting items as described below. The tax rate in each year depends mainly on the geographic mix of profits as well as on applicable tax rates and although the tax charge involves a level of estimate, we expect it to be 20% for the full year ending 30 September 2020. The adjusted effective tax rate for the full year is slightly higher as a shift in the geographic mix of profits, which will result in a higher proportion of profits being taxed in jurisdictions with higher corporation tax rates, is anticipated to occur largely in the second half of the year.

The Group has made a number of successful tax settlements in the first half of the year:

(a) A settlement with HM Revenue and Customs (HMRC) on the historical amount due for off-payroll workers in the UK resulting in a release of £6.2m from the £8.2m provision made at 30 September 2019; with an additional release for interest of £0.6m;

(b) A conclusion by HMRC in respect of the potential liability for UK VAT on intra-group transactions, resulted in no VAT being due on these payments and the provision of £11.3m including interest of £0.3m as at 30 September 2019, being released in full; and

(c) The Group's appeal against a previously disclosed, but not provided for, Canadian tax exposure has now been resolved following the Canada Revenue Agency offer to consent to judgement, resulting in no liability for the Group.

[1] Book of business is the annual contracted values for subscriptions and is shown at constant GBP/$ rate adjusted for net M&A (%).

More details on these are included in notes 2, 5, 6 and 7.

Exceptional items

The exceptional credit of £8.4m relates to the release of the provisions referred to above for UK VAT and payroll taxes, partially offset by other acquisition related exceptional costs and the cost of the Asset Management strategic review.

Dividend

As previously announced, the Board is adopting a prudent approach to shareholder distributions and will not declare an interim dividend payment for the financial year 2020, resulting in a cash saving of approximately £12m. The Board will consider the final dividend in November 2020, when it has better visibility on the business environment.

Net cash and cash flow

Net cash at 31 March 2020 was £8.1m, excluding lease liabilities, compared with net cash of £50.1m at 30 September 2019. The overall decrease in net cash largely reflects a £24.0m outflow for the acquisition of Wealth-X and AgriCensus and dividend payments of £24.0m. The Group's underlying operating cash conversion for the 12 months to 31 March 2020 was 87% (2019: 98%). The lower cash conversion rate resulted from continuing weakness in Asset Management and the impact of covid-19 on cancelled or postponed events.

In April 2020 the Group's committed bank facility was extended to December 2022 and the limit was reduced to £188m. As at 31 March 2020 the Group had drawn down £68m of this facility. The £130m uncommitted accordion facility is also still available. On 11 May 2020 Euromoney was confirmed in principle as an eligible issuer for the Covid Corporate Financing Facility with an issuer limit of £125m.

Currency

The Group generates approximately 75% of its revenues in US dollars, including approximately 40% of its UK revenues in its UK-based businesses. Approximately two thirds of its operating profits are US dollar-denominated. The exposure to US dollar revenues in our UK businesses is partially hedged using forward contracts to sell US dollars, which delays the impact of movements in exchange rates for at least a year.

The average sterling-US dollar rate for the six months to 31 March 2020 was $1.289 (2019: $1.294). This improved headline revenue growth rates for the year by approximately half a percentage point and adjusted profit before tax by £1.5m. Each one cent movement in the US dollar rate has an impact on translated profits, net of UK revenue hedging, of approximately £0.7m on an annualised basis. The Group also translates its non-sterling denominated balance sheet items, which resulted in a gain of £0.2m (2019: £0.6m loss) in the period.

Outlook

The short-term outlook for face-to-face events remains uncertain due to government and client companies' restrictions on travel and meetings. Due to Euromoney's nimble events execution, we expect to return to running face-to-face events rapidly when restrictions are lifted.

Our strategy of focusing on 3.0 businesses, where content is deeply embedded in customers' workflow, is more relevant than ever. However, as previously disclosed, the effect of covid-19 on broader economic activity is likely to result in customers delaying purchasing decisions. Trading in April and May has been substantially in line with recent trends.

We are committed to our growth plan for the Asset Management segment and encouraged by the pre-covid-19 signs of improvement following our investment in that business. We are targeting to return IRD's non-vote Book of Business to growth by the end of FY22 (IRD's non-vote revenue accounted for 51% of segment revenue in FY19) which should lead to subsequent revenue growth as the Book of Business earns out into revenue.

Net cash at 30 April 2020 was £8.3m. Euromoney has taken rapid action to reduce costs and preserve cash including minimising non-contractual spend, postponing capex, making cuts in salary and fees for Directors and not declaring an interim dividend. We expect to make net cash cost savings of approximately £20m in the second half of the current financial year, with net P&L cost savings of approximately £7m. These actions further support our robust balance sheet and allow us to maintain investment in future growth and continue with small acquisitions.

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NOTE TO EDITORS
Euromoney is a global information business providing essential B2B information to global and specialist markets. Euromoney provides price discovery, market intelligence and events across our segments. Euromoney is listed on the London Stock Exchange and is a member of the FTSE 250 share index. (www.euromoneyplc.com)

CAUTIONARY STATEMENT
This Half Year Report ("Statement") is prepared for and addressed only to the Company's shareholders as a whole and to no other person. The Company, its Directors, employees, agents and advisers accept and assume no liability to any person in respect of this Statement save as would arise under English law. Statements contained in this Statement are based on the knowledge and information available to the Group's Directors at the date it was prepared and therefore facts stated and views expressed may change after that date.

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No statement in this document is intended as a profit forecast or a profit estimate and no statement in this document should be interpreted to mean that earnings per Euromoney Institutional Investor PLC share for the current or future financial years would necessarily match or exceed the historical published earnings per Euromoney Institutional Investor PLC share.

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Appendix to Half Year Report

Reconciliation of Condensed Consolidated Income Statement to adjusted results for the six months ended 31 March 2020
The Directors believe that the adjusted measures provide additional useful information for shareholders to evaluate and compare the performance of the business from period to period. These measures are used by management for budgeting, planning and monthly reporting purposes and are the basis on which executive management is incentivised. The non-IFRS measures also enable the Group to track more easily and consistently the underlying operational performance by separating out the following types of exceptional income, charges and non-cash items.

In the 2019 Annual Report and Accounts adjusted results included continuing operations and discontinued operations for Asset Management. As outlined in note 2, Asset Management no longer meets the discontinued operations classification and all of the results are presented as continuing operations in the 2020 Half Year Report.

Adjusted figures are presented before the impact of amortisation of acquired intangible assets (comprising trademarks and brands, databases and customer relationships); exceptional items; share of associates' and joint ventures' acquired intangibles amortisation and exceptional items; net movements in deferred consideration and acquisition commitments; fair value remeasurements; related tax items and other adjusting items described below.

The amortisation of acquired intangible assets is adjusted as the premium paid relative to the net assets on the balance sheet of the acquired business is classified as either goodwill or as an intangible asset arising on a business combination and is recognised on the Group's balance sheet. This differs to organically developed businesses where assets such as employee talent and customer relationships are not recognised on the balance sheet. Impairment and amortisation of intangible assets and goodwill arising on acquisitions are excluded from adjusted results as they are balance sheet items that relate to historical M&A activity rather than the trading performance of the business.

Exceptional items are items of income or expense considered by the Directors as being significant, non-recurring and not attributable to underlying trading. It is Group policy to treat, as exceptional, significant earn-out payments required by IFRS to be recognised as a compensation cost. IFRS requires that earn-out payments to selling shareholders retained in the acquired business for a contractual time period are treated as a compensation cost. Given that these payments are part of the cost of an investment and will not recur once the earn-out payments have been made, they have been excluded from adjusted profit. The accounting policy for exceptional items can be found in note 1 to the Group's 2019 Annual Report.

During the second half of 2019, the Group provided for a potential payroll taxes liability of £8.2m in respect of off-payroll workers. In February 2020, a settlement was agreed with HMRC of £1.2m and the remaining provision was released. The Group also provided for a VAT exposure of £11.3m relating to the understatement of UK VAT on intra-group transactions in respect of the four years ended 30 September 2018. During the first half of 2020, the Group engaged with HMRC on the matter and on 11 May 2020, was notified by HMRC that no VAT was due on these transactions. The provision was therefore released in full as an adjusting post balance sheet event (note 18). The release of the provisions for the payroll taxes and VAT have been classified as exceptional items and the related interest has been treated as adjusted finance income because these items are not expected to recur.

Adjusted finance costs exclude interest arising on any uncertain tax provisions, as these provisions are not in the ordinary course of business and relate to tax adjusting items.

In respect of earnings, adjusted amounts reflect a tax rate that includes the current tax effect of goodwill and intangible assets. Many of the Group's acquisitions, particularly in the US, give rise to significant tax savings as the amortisation of goodwill and intangible assets on acquisition is deductible for tax purposes. The Group considers that the resulting adjusted effective tax rate is therefore more representative of its tax payable position. Tax on exceptional items relates primarily to the £6.2m release of a provision recognised in the year ended 30 September 2019 in relation to liabilities for payroll taxes for off payroll staff and of the release of a provision held for potential VAT liabilities on UK intercompany payments which HMRC have determined are not due. Prior year items primarily relate to amendments made to the US corporate state income tax filings in New York and New York City, which changed the basis of filing from entity by entity to combined reporting. These items are excluded from the adjusted tax expense as they do not relate to current year underlying trading.

Further analysis of the adjusting items is presented in notes 3, 5, 6, 7, 11 and 12 to the Condensed Consolidated Interim Financial Statements.

The Group has applied these principles in calculating adjusted measures and it is the Group's intention to continue to apply these principles in the future.

The reconciliation below sets out the adjusted results of the Group and the related adjustments to the Condensed Consolidated Income Statement that the Directors consider necessary to provide useful and comparable information about the Group's adjusted trading performance.

		Unaudited six months ended 31 March 2020			Unaudited six months ended 31 March 2019		
	Notes	**Statutory £000**	**Adjustments £000**	**Adjusted £000**	Statutory £000	Adjustments £000	Adjusted £000
Revenue	3	**186,277**	**-**	**186,277**	184,934	-	184,934
Adjusted operating profit	3	**41,073**	**-**	**41,073**	46,219	-	46,219
Acquired intangible amortisation	12	**(12,091)**	**12,091**	**-**	(10,654)	10,654	-
Exceptional items	5	**8,416**	**(8,416)**	**-**	13,999	(13,999)	-
Operating profit		**37,398**	**3,675**	**41,073**	49,564	(3,345)	46,219
Operating profit margin		***20%***	**-**	***22%***	*27%*	-	*25%*
Share of results in associates and joint ventures	11	**(191)**	**(82)**	**(273)**	(65)	(28)	(93)
Finance income	6	**2,083**	**(1,830)**	**253**	880	(76)	804
Finance expense	6	**(1,884)**	**167**	**(1,717)**	(1,044)	170	(874)
Net finance income/(expense)	6	**199**	**(1,663)**	**(1,464)**	(164)	94	(70)
Profit before tax		**37,406**	**1,930**	**39,336**	49,335	(3,279)	46,056
Tax income/(expense) on profit	7	**2,873**	**(10,278)**	**(7,405)**	(13,959)	4,821	(9,138)
Profit for the period		**40,279**	**(8,348)**	**31,931**	35,376	1,542	36,918
Attributable to:							
Equity holders of the parent		**40,358**	**(8,380)**	**31,978**	35,376	1,542	36,918
Equity non-controlling interests		**(79)**	**32**	**(47)**	-	-	-
		40,279	**(8,348)**	**31,931**	35,376	1,542	36,918
Diluted earnings per share	9	**37.5p**		**29.7p**	32.9p		34.3p

	Notes	Audited year ended 30 Sept 2019 Restated[1] Statutory £000	 Restated[1] Adjustments £000	 Adjusted £000
Revenue		401,673	-	401,673
Adjusted operating profit		105,443	-	105,443
Acquired intangible amortisation	12	(25,143)	25,143	-
Exceptional items	5	3,856	(3,856)	-
Operating profit		84,156	21,287	105,443
Operating profit margin		*21%*	-	*26%*
Share of results in associates and joint ventures	11	(88)	(38)	(126)
Finance income	6	1,873	(675)	1,198
Finance expense	6	(3,082)	1,214	(1,868)
Net finance expense	6	(1,209)	539	(670)
Profit before tax		82,859	21,788	104,647
Tax expense on profit	7	(21,666)	820	(20,846)
Profit for the year		61,193	22,608	83,801
Attributable to:				
Equity holders of the parent		60,929	22,586	83,515
Equity non-controlling interests		264	22	286
		61,193	22,608	83,801
Diluted earnings per share	9	56.6p		77.6p

[1] In the 2019 Annual Report and Accounts the results for the year ended 30 September 2019 were split between continuing and discontinued operations. As outlined in notes 1 and 2, Asset Management no longer meets the classification criteria of discontinued operations and all of the results are presented as continuing operations in the 2020 Half Year Report.

Underlying measures

When assessing the performance of our businesses, the Board considers the adjusted results. The year-on-year change in adjusted results may not, however, be a fair like-for-like comparison as there are a number of factors which can influence growth rates but which do not reflect underlying performance.

Underlying results include adjusted results and are stated:

- at constant exchange rates, with the prior year comparatives being restated using current year exchange rates;
- including pro forma prior year comparatives for acquisitions and new business launches and excluding all results for disposals or business closures;
- excluding events and publications which took place in the comparative period but did not take place in the current period and events and publications which took place in the current period but did not take place in the comparative period are added into the comparative period at the same amount. For example, this means we adjust for:
  - biennial events;
  - events which run in one of the current or comparative periods due to changes in the event date; and
  - cancelled events that did not take place in the current year, including cancellation costs.
- including proforma prior year adjustments for the application of new accounting standards.

The Group's adjusted and underlying measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS. The adjusted and underlying measures used by the Group are not necessarily comparable with those used by other companies.

The following table sets out the reconciliation from statutory to underlying for revenue, operating profit and profit before tax:

	Unaudited six months ended 31 March 2020 Total £000	Unaudited six months ended 31 March 2019 Total £000	Change %
Statutory revenue	**186,277**	184,934	1%
Net M&A and closed businesses	**-**	10,152	
Timing differences	**-**	(10,246)	
Foreign exchange	**-**	950	
Underlying revenue	**186,277**	185,790	0%
Statutory operating profit	**37,398**	49,564	(25%)
Adjustments	**3,675**	(3,345)	
Adjusted operating profit	**41,073**	46,219	(11%)
Net M&A and closed businesses	-	(498)	
Timing differences	-	(7,085)	
Foreign exchange	-	1,543	
IFRS 16	-	643	
Underlying operating profit	**41,073**	40,822	1%
Statutory profit before tax	**37,406**	49,335	(24%)
Adjustments	**1,930**	(3,279)	
Adjusted profit before tax	**39,336**	46,056	(15%)
Net M&A and closed businesses	-	(689)	
Timing differences	-	(7,085)	
Foreign exchange	-	1,543	
IFRS 16	-	(267)	
Underlying profit before tax	**39,336**	39,558	(1%)

Cash conversion
Cash conversion measures the percentage by which cash generated from operations covers adjusted operating profit.

	Unaudited six months ended 31 March 2020 £000	Unaudited six months ended 31 March 2019 £000	Audited year ended 30 Sept 2019 £000
Adjusted operating profit	**41,073**	46,219	105,443
Cash generated from operations	**27,005**	49,744	92,407
Exceptional items	**9,934**	3,736	10,519
Other working capital movements	**-**	(222)	627
Underlying cash generated from operations	**36,939**	53,258	103,553
Adjusted cash conversion %	**66%**	108%	88%
Underlying 12-month rolling cash conversion %	**87%**	98%	98%

The underlying basis is after adjusting for significant timing differences affecting the movement on working capital and exceptional items. For the period ended 31 March 2020, exceptional items largely consist of cash paid in the acquisition of new business and to support the strategic review of Asset Management, offset by a release of a provision for payroll taxes and VAT liabilities (note 5). For the period ended 31 March 2019 and year ended 30 September 2019 exceptional items largely consisted of cash payments for acquisition and disposal costs and deferred compensation costs in relation to acquisitions. The other working capital movements in 2019 were largely the result of the landlord’s contribution to the fit-out of the New York office which was being amortised over the period of the lease and the rent-free period of the London and New York offices. At the half year, an underlying 12-month cash conversion percentage is used to eliminate any seasonality.

Net cash

	Unaudited six months ended 31 March 2020 £000	Unaudited six months ended 31 March 2019 £000	Audited year ended 30 Sept 2019 £000
Net cash at beginning of period	**50,078**	78,273	78,273
Net increase/(decrease) in cash and cash equivalents	**27,101**	(48,547)	(30,151)
Increase in borrowings	**(67,857)**	-	-
Effect of foreign exchange rate movements	**(1,240)**	(414)	1,956
Net cash at end of period	**8,082**	29,312	50,078
Net cash comprises:			
Cash at bank and short-term deposits	**76,656**	29,312	49,751
Borrowings	**(68,574)**	-	-
Classified as held for sale	**-**	-	327
Total cash and cash equivalents net of borrowings	**8,082**	29,312	50,078
Net cash	**8,082**	29,312	50,078
Average exchange rate adjustment	**(328)**	(145)	(1,452)
Adjusted net cash	**7,754**	29,167	48,626

	12-month rolling 31 March 2020 £000	12-month rolling 31 March 2019 £000	12-month rolling 30 Sept 2019 £000
Adjusted operating profit	**100,297**	103,438	105,443
Share of results in associates and joint ventures	**(306)**	170	(126)
Add back:			
Intangible amortisation of licences and software	**2,071**	2,800	2,099
Depreciation of property, plant and equipment	**5,749**	3,218	2,744
IFRS 16 adjustments	**(3,554)**	-	-
M&A annualised adjustment	**(23)**	5,427	2,425
Adjusted EBITDA	**104,234**	115,053	112,585
Adjusted net cash to EBITDA ratio	**(0.07)**	(0.25)	(0.43)

The Group's borrowing facilities contain certain covenants, including the ratio of adjusted net debt to EBITDA. The amounts and foreign exchange rates used in the covenant calculations are subject to adjustments as defined under the terms of the arrangement. The facility's covenant requires the Group's net debt to be no more than three times adjusted EBITDA and requires minimum levels of interest cover of three times on a rolling 12-month basis.

The bank covenant ratio uses an average exchange rate in the calculation of net debt and includes discontinued operations and an annualised adjustment attributable to acquisitions and disposals in the calculation of adjusted EBITDA. When businesses are acquired after the beginning of the financial year, the calculation of adjusted EBITDA includes EBITDA attributable to the business as if the acquisition had been completed on the first day of the financial year. The calculation excludes the EBITDA of any businesses disposed of during the year.

The bank covenant ratio is adjusted to remove the impact of IFRS 16. This means that the adjusted EBITDA for covenant compliance calculations includes an entry for the rental expense which would have been recognised for the Group's leases had the transition to IFRS 16 not taken place. To be consistent with the bank covenant calculations, net cash is defined to exclude lease liabilities.

Principal risks and uncertainties

An overall increasing risk trend

The principal risks and uncertainties that affect the Group are described in detail on pages 43 to 52 of the 2019 Annual Report available at www.euromoneyplc.com. They are:

(1) Downturn in key geographic region or market sector
(2) Product and market transformation/disruption
(3) Exposure to US dollar exchange rate
(4) Information security breach resulting in challenge to data integrity
(5) A failure to comply with law, regulation or contractual obligations resulting in financial loss and/or reputational damage
(6) Material disruption to business operations, resulting in financial loss or reputational damage
(7) Failure to execute acquisitions or disposals in line with strategy
(8) Uncertain tax liabilities
(9) Failure to implement the strategy effectively due to failure to attract or retain staff
(10) Business risks arising from the global geopolitical environment
(11) Under-investment in products and technology

Although the Group still considers these to be the most relevant risks and uncertainties, the Board's view is that, because of covid-19, the overall risk trend for the Group is increasing.

Covid-19 is impacting the Group's staff, customers, shareholders and suppliers as well as the Group's financial performance. Capital is generally less available and therefore preserving cash is a priority. Our investors are impacted both through share price volatility as well as the decision not to pay an interim dividend at the half-year. As a result, the risk trend for certain of the Group's Principal Risks is trending upwards. These are: (1) (Downturn in key geographic region or market sector), (2) (Product and market transformation/disruption), (4) Information security breach resulting in challenge to data integrity), (6) (Material disruption to business operations) and (7) (Failure to execute acquisitions or disposals in line with strategy).

Disruption to business operations (Risk 6)

Like most businesses, irrespective of size or location, covid-19 is significantly and adversely disrupting the Group's general business operations. For example, most of our offices are closed; most of our staff are working from their homes; and we cannot travel to visit our customers in most countries.

This general impact on business operations has a knock-on effect on other specific principal risks.

Downturn and disruption in the events sector (Risks 1 and 2)

A significant percentage of the Group's revenue and profit is generated by its event businesses. We have reported that, given governments' restrictions on travel and attending gatherings, we have postponed or cancelled the majority of events originally scheduled to take place from March up to and including September. This is having a material impact on the Group's financial performance since it is currently not possible to put physical events on for customers irrespective of size or location. We are taking steps to mitigate the impact of this by planning for, and hosting, virtual events as well as planning for the future safe operation of physical events by employing social distancing measures. However, the impact of these mitigating actions is far outweighed by the impact on the Group's inability to operate its events as anticipated at the start of the year. The disruption extends more widely than events as our subscriptions and advertising businesses adapt to new ways of working and interacting with their customers. Our customers are facing their own disruption which in turn may impact their ability to buy the Group's services.

Potential slow-down in M&A activity (Risk 7)

It is likely that that this risk is increasing. One of the Group's three strategic pillars is to 'Actively manage the portfolio' and, in the short-term at least, the Group will need to balance portfolio management with the preservation of cash. In addition, the current environment does not lend itself to necessarily selling assets at optimum value, therefore making it more challenging to recycle capital.

Information security risk also on the increase (Risk 4)

Covid-19 is also resulting in an upward trend for Risk (4) (Information security breach) since phishing attacks, criminal cyber-activity and other scams are reportedly increasing as home-workers are targeted. Staff are also less used to managing confidential information and personal data from home. This is particularly the case for staff working in house-shares and without secure areas to work in their homes. However, we have strengthened our controls in this area, by providing online training and guidance on how to securely work from home for all staff. Senior management, including the CEO, CIO and CISO, continue to monitor this closely.

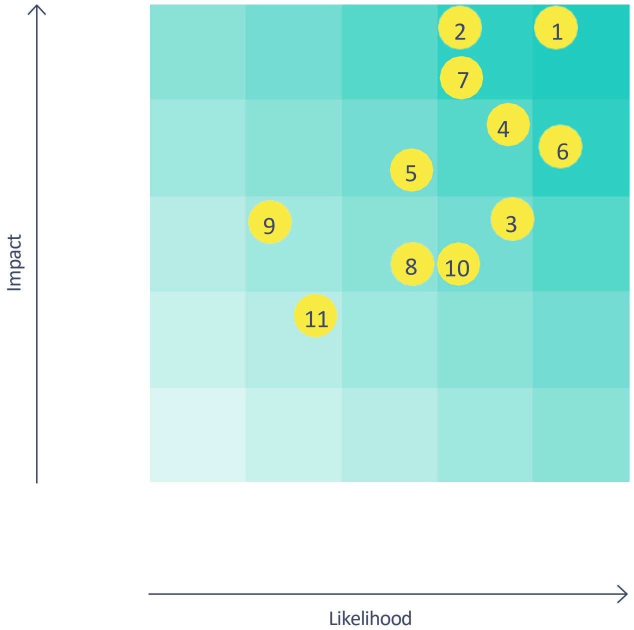
Therefore, while the trend is increasing, we do not believe the upward trend is sufficiently large to require a change to our positioning of this risk on the Group's risk matrix.

The Board continues to prioritise the management of risk

The Board is focused on taking the steps necessary to navigate the Group through this crisis and mitigating its impact, which will include a regular and robust assessment and management of the Group's risks. Both the Board and management are mindful that risk trends may change quickly as the covid-19 landscape changes, for example litigation risk may potentially increase as market participants consider litigation as a potential avenue for recovering their covid-19 losses.

A number of these risks and uncertainties could have an impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ from expected and historical results.

The risk matrix below (updated to illustrate the impact of covid-19) shows the relative likelihood of the principal risks crystallising and their potential impact on the Group. The risks are shown as post-mitigation residual risks.



1. Downturn in key geographic region or market sector
2. Product and market transformation/disruption
3. Exposure to US dollar exchange rate
4. Information security breach resulting in challenge to data integrity
5. Failure to comply with law, regulation or contract resulting in financial loss and/or reputational damage
6. Material disruption to business operations
7. Failure to execute M&A in line with strategy
8. Uncertain tax liabilities
9. Failure to implement the strategy effectively due to not attracting/retaining staff
10. Business risks arising from global geopolitical environment
11. Under-investment in products and technology

Condensed Consolidated Income Statement
for the six months ended 31 March 2020

	Notes	Unaudited six months ended 31 March 2020 £000	Unaudited six months ended 31 March 2019 £000	Restated[1] Audited year ended 30 Sept 2019 £000
Revenue	3	**186,277**	184,934	401,673
Operating profit before acquired intangible amortisation and exceptional items	3	**41,073**	46,219	105,443
Acquired intangible amortisation	12	**(12,091)**	(10,654)	(25,143)
Exceptional items	5	**8,416**	13,999	3,856
Operating profit	3	**37,398**	49,564	84,156
Share of results in associates and joint ventures	11	**(191)**	(65)	(88)
Finance income	6	**2,083**	880	1,873
Finance expense	6	**(1,884)**	(1,044)	(3,082)
Net finance income/(expense)	6	**199**	(164)	(1,209)
Profit before tax	3	**37,406**	49,335	82,859
Tax income/(expense) on profit	7	**2,873**	(13,959)	(21,666)
PROFIT FOR THE PERIOD	3	**40,279**	35,376	61,193
Attributable to:				
Equity holders of the parent		**40,358**	35,376	60,929
Equity non-controlling interests		**(79)**	-	264
		40,279	35,376	61,193
Earnings per share				
Basic	9	**37.5p**	32.9p	56.6p
Diluted	9	**37.5p**	32.9p	56.6p
Dividend per share (including proposed dividends)	8	**-**	10.8p	33.1p

[1] In the 2019 Annual Report and Accounts the results for the year ended 30 September 2019 were split between continuing and discontinued operations. As outlined in notes 1 and 2, Asset Management no longer meets the classification criteria of discontinued operations and all of the results are presented as continuing operations in the 2020 Half Year Report.

A detailed reconciliation of the Group's statutory results to the adjusted results is set out in the appendix to the Half Year Report on pages 6 to 8.

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 31 March 2020

	Unaudited six months ended 31 March 2020 £000	Unaudited six months ended 31 March 2019 £000	Audited year ended 30 Sept 2019 £000
Profit for the period	**40,279**	35,376	61,193
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of cash flow hedges	**(282)**	109	(5,061)
Transfer of losses/(gains) on cash flow hedges from fair value reserves to Income Statement:			
Foreign exchange losses in revenue	**473**	1,098	3,483
Foreign exchange losses in direct costs	**81**	101	361
Net exchange differences on translation of net investments in overseas subsidiary undertakings	**(2,427)**	(1,402)	22,644
Net exchange differences on foreign currency loans	**(1,209)**	172	1,524
Fair value remeasurements	**-**	-	2,131
Tax on items that may be reclassified	**-**	(201)	-
Items that will not be reclassified to profit or loss:			
Actuarial gains/(losses) on defined benefit pension schemes	**4,623**	(3,734)	(5,175)
Tax (charge)/credit on actuarial losses/gains on defined benefit pension schemes	**(763)**	635	880
Other comprehensive income/(expense) for the period	**496**	(3,222)	20,787
Total comprehensive income for the period	**40,775**	32,154	81,980
Attributable to:			
Equity holders of the parent	**40,854**	32,154	81,716
Equity non-controlling interests	**(79)**	-	264
	40,775	32,154	81,980

Condensed Consolidated Statement of Financial Position

as at 31 March 2020

	Notes	Unaudited as at 31 March 2020 £000	Audited as at 30 Sept 2019 £000
Non-current assets			
Intangible assets			
Goodwill	12	**470,640**	246,281
Other intangible assets	12	**217,816**	159,140
Property, plant and equipment	1	**74,171**	15,294
Investment in associates and joint ventures	11	**9,140**	5,271
Convertible loan note		**-**	3,759
Deferred tax assets		**6,548**	2,232
Retirement benefit asset		**3,024**	1,511
Other non-current assets		**200**	317
Derivative financial instruments		**3**	93
		781,542	433,898
Current assets			
Trade and other receivables		**73,538**	48,955
Contract assets		**2,488**	1,457
Current income tax assets		**14,191**	4,362
Cash and cash equivalents (excluding bank overdrafts)		**76,656**	49,751
Derivative financial instruments		**257**	219
Total assets of businesses held for sale		**-**	292,356
		167,130	397,100
Current liabilities			
Acquisition commitments		**(2,092)**	(986)
Deferred consideration		**(122)**	(138)
Trade and other payables		**(23,570)**	(43,929)
Current income tax liabilities		**(12,339)**	(16,564)
Accruals		**(49,712)**	(48,562)
Lease liabilities	1	**(8,889)**	-
Contract liabilities		**(132,454)**	(87,150)
Derivative financial instruments		**(2,738)**	(3,578)
Provisions		**(579)**	(785)
Total liabilities of businesses held for sale		**-**	(71,534)
		(232,495)	(273,226)
Net current liabilities		**(65,365)**	123,874
Total assets less current liabilities		**716,177**	557,772
Non-current liabilities			
Acquisition commitments		**-**	(1,640)
Borrowings	14	**(68,574)**	-
Lease liabilities	1	**(64,755)**	-
Other non-current liabilities		**(225)**	(227)
Contract liabilities		**(2,335)**	(1,278)
Deferred tax liabilities		**(31,727)**	(17,718)
Retirement benefit obligation		**(4,156)**	(7,723)
Derivative financial instruments		**(893)**	(293)
Provisions		**(2,754)**	(2,845)
		(175,419)	(31,724)
Net assets		**540,758**	526,048

Condensed Consolidated Statement of Financial Position continued
as at 31 March 2020

	Notes	**Unaudited as at 31 March 2020 £000**	Audited as at 30 Sept 2019 £000
Shareholders' equity			
Called up share capital	15	**273**	273
Share premium account		**104,636**	104,306
Other reserve		**64,981**	64,981
Capital redemption reserve		**56**	56
Own shares		**(19,682)**	(19,682)
Reserve for share-based payments		**39,879**	40,120
Fair value reserve		**(26,815)**	(27,087)
Translation reserve		**139,607**	143,243
Retained earnings		**236,859**	218,795
Equity shareholders' surplus		**539,794**	525,005
Equity attributable to non-controlling interests		**964**	1,043
Total equity		**540,758**	526,048

Condensed Consolidated Statement of Changes in Equity

for the six months ended 31 March 2020

	Share capital £000	Share premium account £000	Other reserve £000	Capital redemp-tion reserve £000	Own shares £000	Reserve for share-based pay-ments £000	Fair value reserve £000	Trans-lation reserve £000	Retained earnings £000	Total £000	Non-control-ling interests £000	Total £000
At 1 October 2018	**273**	**103,790**	**64,981**	**56**	**(20,462)**	**39,687**	**(28,001)**	**119,075**	**199,630**	**479,029**	**-**	**479,029**
Profit for the year	-	-	-	-	-	-	-	-	60,929	**60,929**	264	**61,193**
Other comprehensive income/(expense) for the year	-	-	-	-	-	-	914	24,168	(4,295)	**20,787**		**20,787**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**914**	**24,168**	**56,634**	**81,716**	**264**	**81,980**
Recognition of acquisition commitments	-	-	-	-	-	-	-	-	(1,429)	**(1,429)**	-	**(1,429)**
Non-controlling interest recognised on acquisition	-	-	-	-	-	-	-	-	-	**-**	779	**779**
Share-based payments	-	-	-	-	-	883	-	-	-	**883**	-	**883**
Cash dividend paid	-	-	-	-	-	-	-	-	(35,586)	**(35,586)**	-	**(35,586)**
Exercise of share options	-	516	-	-	780	(450)	-	-	(330)	**516**	-	**516**
Tax relating to items taken directly to equity	-	-	-	-	-	-	-	-	(124)	**(124)**	-	**(124)**
At 30 September 2019	**273**	**104,306**	**64,981**	**56**	**(19,682)**	**40,120**	**(27,087)**	**143,243**	**218,795**	**525,005**	**1,043**	**526,048**
Impact of adopting IFRS 16	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,989)**	**(1,989)**	**-**	**(1,989)**
At 1 October 2019	**273**	**104,306**	**64,981**	**56**	**(19,682)**	**40,120**	**(27,087)**	**143,243**	**216,806**	**523,016**	**1,043**	**524,059**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**40,358**	**40,358**	**(79)**	**40,279**
Other comprehensive income/(expense) for the period	**-**	**-**	**-**	**-**	**-**	**-**	**272**	**(3,636)**	**3,860**	**496**	**-**	**496**
Total comprehensive income/(expense) for the period	**-**	**-**	**-**	**-**	**-**	**-**	**272**	**(3,636)**	**44,218**	**40,854**	**(79)**	**40,775**
Share-based payments	**-**	**-**	**-**	**-**	**-**	**(241)**	**-**	**-**	**-**	**(241)**	**-**	**(241)**
Cash dividend paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(23,994)**	**(23,994)**	**-**	**(23,994)**
Exercise of share options	**-**	**330**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**330**	**-**	**330**
Tax relating to items taken directly to equity	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(171)**	**(171)**	**-**	**(171)**
At 31 March 2020	**273**	**104,636**	**64,981**	**56**	**(19,682)**	**39,879**	**(26,815)**	**139,607**	**236,859**	**539,794**	**964**	**540,758**

Condensed Consolidated Statement of Changes in Equity

for the six months ended 31 March 2019

	Share capital £000	Share premium account £000	Other reserve £000	Capital redemption reserve £000	Own shares £000	Reserve for share-based payments £000	Fair value reserve £000	Translation reserve £000	Retained earnings £000	Total £000
At 1 October 2018 (restated)	273	103,790	64,981	56	(20,462)	39,687	(28,001)	119,075	199,630	479,029
Profit for the period	-	-	-	-	-	-	-	-	35,376	35,376
Other comprehensive income/(expense) for the period	-	-	-	-	-	-	1,496	(1,230)	(3,488)	(3,222)
Total comprehensive income/(expense) for the period	**-**	**-**	**-**	**-**	**-**	**-**	**1,496**	**(1,230)**	**31,888**	**32,154**
Share-based payments	-	-	-	-	-	948	-	-	-	948
Cash dividend paid	-	-	-	-	-	-	-	-	(23,965)	(23,965)
Exercise of share options	-	482	-	-	780	(450)	-	-	(330)	482
Tax relating to items taken directly to equity	-	-	-	-	-	-	-	-	(78)	(78)
At 31 March 2019	**273**	**104,272**	**64,981**	**56**	**(19,682)**	**40,185**	**(26,505)**	**117,845**	**207,145**	**488,570**

The other reserve represents the share premium arising on the shares issued for the purchase of Metal Bulletin plc in October 2006.

The investment in own shares is held by the Euromoney Employees' Share Ownership Trust (ESOT) and Euromoney Employee Share Trust (EEST).

The trusts waived the rights to receive dividends. Interest and administrative costs are charged to the profit and loss account of the trusts as incurred and included in the Consolidated Financial Statements.

	Unaudited six months ended 31 March 2020	Unaudited six months ended 31 March 2019	Audited year ended 30 Sept 2019
Number of shares held:			
Euromoney Employees' Share Ownership Trust	**58,976**	58,976	58,976
Euromoney Employee Share Trust	**1,593,198**	1,593,198	1,593,198
Total	**1,652,174**	1,652,174	1,652,174
Nominal cost per share (p)	**0.25**	0.25	0.25
Historical cost per share (£)	**11.91**	11.91	11.91
Market value (£000)	**13,383**	20,784	24,452

Condensed Consolidated Statement of Cash Flows

for the six months ended 31 March 2020

	Notes	Unaudited six months ended 31 March 2020 £000	Unaudited six months ended 31 March 2019 £000	Audited year ended 30 Sept 2019 £000
Cash flow from operating activities				
Operating profit		**37,398**	49,564	84,156
Long-term incentive (credit)/expense		**(241)**	948	883
Acquired intangible amortisation	12	**12,091**	10,654	25,143
Licences and software amortisation		**1,186**	1,214	2,099
Depreciation of property, plant and equipment		**4,372**	1,367	2,744
Loss on disposal of property, plant and equipment		**2**	1	19
Impairment charge	5	**-**	-	2,410
Amendment to defined benefit pension plan	5	**-**	(1,224)	(1,224)
Profit on disposal of businesses	5	**-**	(16,998)	(16,998)
Decrease in provisions		**(320)**	(197)	(552)
Profit on deemed disposal of associate		**-**	-	(687)
Operating cash flows before movements in working capital		**54,488**	45,329	97,993
(Increase)/decrease in receivables		**(1,485)**	(4,055)	6,122
(Decrease)/increase in payables		**(25,998)**	8,470	(11,708)
Cash generated from operations		**27,005**	49,744	92,407
Income taxes paid		**(10,420)**	(24,782)	(38,418)
Net cash generated from operating activities		**16,585**	24,962	53,989
Investing activities				
Interest received		**260**	929	1,128
Purchase of intangible assets		**(4,650)**	(2,822)	(8,379)
Purchase of property, plant and equipment		**(1,497)**	(1,112)	(1,637)
Proceeds from disposal of property, plant and equipment		**1**	6	14
Purchase of business/subsidiary undertaking, net of cash acquired	10	**(24,046)**	(66,782)	(68,101)
Proceeds from disposal of businesses		**-**	19,653	19,653
Dividends received from associates	11	**-**	98	197
Receipt of deferred consideration		**176**	823	9,671
Payment of deferred consideration		**-**	(98)	(232)
Net cash used in investing activities		**(29,756)**	(49,305)	(47,686)
Financing activities				
Dividends paid	8	**(23,994)**	(23,965)	(35,586)
Interest paid		**(611)**	(624)	(1,287)
IFRS 16 lease repayments		**(2,278)**	-	-
IFRS 16 interest		**(926)**	-	-
Issue of new share capital	15	**330**	482	516
Increase in borrowings	14	**67,857**	-	-
Purchase of additional interest in subsidiary undertakings	10	**(106)**	(97)	(97)
Net cash used in financing activities		**40,272**	(24,204)	(36,454)
Net increase/(decrease) in cash and cash equivalents		**27,101**	(48,547)	(30,151)
Cash and cash equivalents at beginning of period (including held for sale)		**50,078**	78,273	78,273
Effect of foreign exchange rate movements		**(523)**	(414)	1,956
Cash and cash equivalents at end of period (including held for sale)		**76,656**	29,312	50,078
Cash and cash equivalents classified as held for sale		**-**	-	(327)
Cash and cash equivalents at end of period		**76,656**	29,312	49,751

Notes to the Condensed Consolidated Interim Financial Statements

1 Basis of preparation

Euromoney Institutional Investor PLC (the 'Company') is a company incorporated in the United Kingdom.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the 'Group') and equity-account the Group's interest in joint ventures and associates.

This Half Year Report was approved by the Board of Directors on 3 June 2020.

These condensed consolidated interim financial statements have been prepared in accordance with the disclosure and transparency rules of the Financial Conduct Authority and using accounting policies consistent with International Financial Reporting Standards as adopted by the European Union and in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting'.

The financial information for the year ended 30 September 2019 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not draw attention to any matters by way of emphasis and did not contain statements under section 498(2) or 498(3) of the Companies Act 2006.

Changes of accounting policies

IFRS 16 'Leases'

On 1 October 2019 the Group adopted IFRS 16, 'Leases', using the modified retrospective transition method. As permitted under the specific transitional provisions in the Standard, comparatives for 2019 have not been restated and the cumulative impact on the Group's financial statements has been applied by adjusting the relevant opening balances on 1 October 2019.

On adoption of IFRS 16, the Group recognised liabilities for a number of leases for office premises, which had previously been classified as operating leases, in accordance with IAS 17, 'Leases'. These have been measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate (IBR) determined for each lease. The weighted average IBR applied to the leases on transition at 1 October 2019 was 2.77%. The Group did not have any leases which would have been classified as finance leases, under IAS 17. The right of use (ROU) assets were recognised using a mixture of the 'simplified' and 'asset' transition methods, Under the 'simplified' method the right of use asset is equal to the present value of future lease payments. Under the 'asset' method the right of use asset is calculated as if IFRS 16 had always been applied.

A reconciliation of the operating lease commitments disclosed in the 2019 Annual Report and Accounts to the lease liabilities on transition to IFRS 16 is as follows:

	£000
Operating lease commitments at 30 September 2019	87,708
Short term exemption	(40)
Leases not within scope of IFRS 16[1]	(71)
Leases with terms starting after transition	(3,303)
Gross lease liabilities at 1 October 2019	**84,294**
Discounting	(12,690)
Additional lease liabilities as a result of the initial application of IFRS 16 as at 1 October 2019	**71,604**
Current liabilities	8,162
Non-current liabilities	63,442

[1] Commitments for access to shared workspaces where it has been determined that 'right of use' criteria specified in IFRS 16 have not been met.

The change in accounting policy affected the following items in the balance sheet on 1 October 2019:

	£000
Increase in right of use assets[2]	56,732
Increase in lease liabilities	71,604
Increase in deferred tax assets	606
Decrease in accruals	12,277
Decrease in retained earnings	1,989

[2] All of the right of use assets relate to property.

The carrying value of ROU assets at 31 March 2020 was £57.9m. This is disclosed within Property, plant and equipment on the Condensed Consolidated Statement of Financial Position. The carrying value of the lease liabilities at 31 March 2020 was £8.9m in current liabilities and £64.8m in non-current liabilities.

1 Basis of preparation continued

Under the previous accounting treatment, lease expenses were charged to the Income Statement on a straight-line basis as an operating expense. Under IFRS 16, a depreciation charge is recognised on the right of use assets and a finance expense recognised arising from the lease liability. While the total expense over the life of the lease will be consistent, the charge in any one year could be different.

The change in accounting policy for the leases on transition will reduce the Group's earnings per share by 0.4p in 2020.

The Group has taken advantage of the following practical expedients when implementing IFRS 16, as allowed by the standard:

- On initial application, IFRS 16 only applies to contracts that would have previously been classified as leases under IAS 17 'Leases';
- The Group has relied on its onerous lease assessment instead of performing an impairment review over the right of use assets upon adoption; and
- Initial direct costs are excluded from the measurement of the right of use asset at the date of initial application.

Following transition, the Group has also applied the practical expedient to expense to the Income Statement leases with a term of 12 months or less; and for assets that would have cost less than $5,000.

Leases accounting policy:

The Group recognises all leases on the Statement of Financial Position, apart from in cases where the lease is for a period of less than 12 months or is for an asset with a low value. Lease liabilities are recognised at the present value of future lease payments, determined using the implicit interest rate in the lease where available, or using an incremental borrowing rate appropriate to the subsidiary and lease term where an implicit interest rate is not available or appropriate.

A corresponding right of use asset is recognised, equivalent to the value of the lease liability which is depreciated in a straight line over the shorter of the useful economic life of the asset and the lease term. The depreciation is recognised as an administrative expense within overheads.

The unwinding of the discount on the present value of the lease liability is recognised as a finance charge over the lease term. Rent payments are used to reduce the lease liability and are disclosed as debt repayments in the Statement of Cash Flows.

Lease terms include any options to extend when it is more likely than not that the extension will be taken.

Low value and short-term leases continue to be charged to the Income Statement on a straight-line basis.

The Group's leases relate to property, mainly offices.

Accounting policies

The Condensed Consolidated Interim Financial Statements has been prepared under the historical cost convention, except for the revaluation of certain financial instruments.

Apart from the aforementioned amendments and interpretations adopted in 2020, the same accounting policies, presentation and methods of computation are followed in these condensed consolidated interim financial statements as were applied in the Group's latest annual audited financial statements.

Taxes on income in the half year are accrued using the tax rate that would be applicable to expected total annual profit or loss.

1 Basis of preparation continued

Restatements

Following the conclusion of the strategic review of Asset Management, as outlined in note 2, the segment no longer meets the classification criteria of discontinued operations and held for sale. As a result, the Income Statement will no longer be split into continuing and discontinued operations, for either 2019 or 2020. The assets and liabilities on the Statement of Financial Position remain classified as held for sale at 30 September 2019 as the business was held for sale at that point.

The balances disclosed as held for sale at 30 September 2019 were as follows:

	Asset Management 2019 £000
Goodwill	**213,030**
Acquired intangible assets	**50,165**
Licenses and software including internally generated assets	**2,821**
Property, plant and equipment	**604**
Trade and other receivables	**20,383**
Deferred consideration receivable	**185**
Contract assets	**1,450**
Derivative financial instruments	**23**
Current income tax assets	**3,368**
Cash and cash equivalents	**327**
Total assets of the business held for sale	**292,356**
Trade and other payables	**(661)**
Accruals	**(13,769)**
Contract liabilities	**(44,853)**
Derivative financial instruments	**(106)**
Deferred tax liabilities	**(12,145)**
Total liabilities of the business held for sale	**(71,534)**

Going concern, debt covenants and liquidity

The financial position of the Group, its cash flows and liquidity position are set out in detail in this Half Year Report. At 31 March 2020, the Group's net cash position was £8.1m, comprising of cash and cash equivalents, less amounts borrowed through the Group's revolving credit facility. At 31 March the Group had access to a committed £240m multi-currency revolving credit facility, available until December 2021. The facility's covenant requires the Group's net debt to be no more than three times adjusted 12-month EBITDA and requires minimum levels of interest cover of three times on a 12-month basis. The values and foreign exchange rates used in the covenant calculations are subject to adjustments from the statutory numbers as defined under the terms of the facility agreement. The Group drew down on its revolving credit facility in March 2020 by £67.9m. At 31 March 2020, the Group's net cash to adjusted EBITDA covenant was 0.07 times and the committed undrawn facility available was £171m.

Since 31 March 2020, the Group's revolving credit facility was extended to December 2022 and the limit on the facility has been reduced to £188m (note 18).

The uncertainty as to the future impact on the Group of the recent covid-19 outbreak has been considered as part of the Group's adoption of the going concern basis. The Group has not identified any material uncertainties in its going concern assessment. As previously announced the Group has cancelled the majority of its events up to and including September 2020 and the effect of covid-19 on broader economic activity could impact the ability to generate new sales.

The Group has taken swift and decisive action to reduce costs and preserve cash, while supporting employees, serving customers and protecting the long-term health of the business. The Group has already taken steps to minimise non-contractual spend, postpone capital expenditure, freeze pay, limit new hires, utilise the furlough scheme, swapping an element of salaries for shares, run virtual events and not declaring an interim dividend.

Taking into account reasonably possible changes in trading performance, the Group's forecasts and projections, out to September 2021, show that the Group should be able to operate within the level and covenants of its current and available borrowing facilities.

Based on the Group's cash flow forecasts and projections, the Board is satisfied that the Group will be able to operate for a period extending to at least 12 months from the date of signing of this Half Year Report, including the impact of any potential transactions that are planned or expected to complete within this period. For this reason, the Group continues to adopt the going concern basis in preparing its financial statements.

2 Key judgements and estimates

The key judgement areas and estimates adopted in preparing this Half Year Report are consistent with that of the disclosure in note 2 of the 2019 Annual Report and Accounts, apart from the following:

Discontinued operations and disposal groups classified as held for sale

In the 2019 Annual Report and Accounts the Asset Management segment was classified as a discontinued operation and held for sale, in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. The 2019 results were disclosed separately from continuing operations in the Income Statement and its assets and liabilities were reported in a single line on the Statement of Financial Position, within current assets and current liabilities respectively. As at 31 March 2020, the progress of the strategic review meant that the sale was no longer highly probable. This was confirmed by the conclusion of the strategic review on 30 April 2020, whereby it was announced that the Group is to remain the long-term owner of Asset Management. Therefore, the segment no longer meets the classification criteria of discontinued operations and assets held for sale.

Goodwill and other intangibles impairment

At 31 March 2020, the Group has £672.7m of goodwill and acquired intangible assets (30 September 2019: £659.0m including Asset Management). The Group assesses, at each reporting period, whether there is an indication that an asset might be impaired, and if such indication exists, an estimate of the asset's recoverable amount is determined. The recoverable amount is the higher of an asset's value in use or fair value less costs of disposal.

The covid-19 pandemic has resulted in the cancellation or postponement of the majority of the Group's events from March up to and including September. More widely, the Group's subscriptions and advertising businesses are adapting to new ways of working and interacting with their customers. These factors, combined, have been identified as indicators of potential impairment. Key assumptions in calculating the net present value are the forecast cash flows, the long-term growth rate of the applicable groups of cash generating units and the discount rate applied to those cash flows. The methodologies applied and key assumptions are disclosed in note 12. The cash flow forecasts have been updated to reflect the current assumptions of the impact of covid-19 which are dependent on the length and shape of the global market recovery. The impairment assessments indicated that the net assets of each group of cash generating units are recoverable and no impairment at 31 March 2020 has been recognised.

Retirement benefit schemes

The Group operates the Metal Bulletin plc Pension Scheme (MBPS) and participates in the Harmsworth Pension Scheme (HPS), both of which are defined benefit schemes that are closed to new entrants. The financial assumptions have been reviewed and adjusted to reflect the latest market rates, reducing the net pension deficit from £6.2m at 30 September 2019 to £1.1m at 31 March 2020 across the two schemes, as shown below:

	31 March 2020			30 September 2019		
	MBPS	**HPS**	**Total**	MBPS	HPS	Total
	£000	**£000**	**£000**	£000	£000	£000
Present value of defined benefit obligation	**(53,150)**	**(24,333)**	**(77,483)**	(59,862)	(27,724)	(87,586)
Fair value of plan assets	**48,994**	**27,357**	**76,351**	52,139	29,235	81,374
(Deficit)/surplus reported in the Statement of Financial Position	**(4,156)**	**3,024**	**(1,132)**	(7,723)	1,511	(6,212)

The covid-19 pandemic has already led to considerable volatility in corporate bond yields, this may continue and cause significant changes in scheme liabilities over the 2020 and 2021 financial years. The fair value of plan assets is also expected to be volatile in the short term due to uncertain market conditions. The composition of the plan assets in the respective schemes is consistent with that disclosed in the 2019 Annual Report and Accounts. The discount rate used to value the plan assets was 2.2%. A 0.1% decrease in the discount rate would increase the MBPS net pension deficit by £1.0m and reduce the HPS net pension surplus by £0.4m.

2 Key judgements and estimates *continued*

Taxation

US corporations are required to file state income tax returns for New York and New York City (NY and NYC) on a combined basis if they conduct a unitary business and have common ownership or control. All US entities within the Group are under common control, however, whether the entities conduct a unitary business is a matter of judgement for the Group. There is no single test under US tax law for determining whether a unitary business exists and each case must be considered on its own unique facts. The Group judges that the US Group entities have conducted a unitary business since FY16 and therefore the NY and NYC income tax returns should be filed on a combined basis. Further details are disclosed in note 7.

The Group has adopted IFRIC 23 *Uncertainty over income tax treatments* from 1 October 2019. This clarifies how to apply the recognition and measurement requirements in IAS 12 *Income taxes* where there is uncertainty over income tax treatments. The adoption of the standard has not had a material impact on the uncertain tax positions in the financial statements.

Deferred tax assets in respect of tax losses carried forward can only be recognised to the extent it is probable there will be future taxable profits against which to utilise them. As the level of future profitability inevitably involves a level of estimate, including of future growth rates, if profits are higher or lower than anticipated or the forecasted profits fail to materialise then the recognition and use of these deferred tax assets may change in future periods. Changes in the recognition of deferred tax assets may impact the tax charge in future periods. The Group has reviewed the impact of covid-19 on those future taxable profits and concluded that the current recognition of deferred tax assets is appropriate based on the information available (note 7).

3 Segmental analysis

Segmental information is presented in respect of the Group's segments and reflects the Group's management and internal reporting structure. From 1 October 2019, the Pricing, Data & Market Intelligence segment split into two separate segments; Pricing and Data & Market Intelligence. The Banking & Finance segment was incorporated into the Data & Market Intelligence segment. The Group is now organised into three segments: Asset Management; Pricing; and Data & Market Intelligence. As a result of the closure of Centre for Investor Education (CIE), the segment information for this business has been reclassified from Asset Management to closed businesses.

Revenues generated in the Asset Management and Pricing segments are primarily from subscriptions. Data & Market Intelligence revenues consist mainly of subscriptions, sponsorship and delegates revenue. A breakdown of the Group's revenue by type is set out below.

Event revenue consists of sponsorship and delegates revenue.

The comparative split of segmental revenues, revenue by type, operating profits, acquired intangible amortisation, exceptional items and depreciation and amortisation has been restated to reflect the Pricing, Data & Market Intelligence segment splitting into two separate segments and the Banking & Finance segment being incorporated into the Data & Market Intelligence segment.

Analysis of the Group's three main geographical areas is also set out to provide additional information on the trading performance of the businesses.

Inter-segment sales are charged at prevailing market rates and shown in the eliminations columns.

2020	**Subscriptions and content £000**	**Advertising and other £000**	**Events £000**	**Total revenue £000**
Revenue				
by segment and type:				
Asset Management	**56,025**	**5,558**	**4,824**	**66,407**
Pricing	**36,161**	**1,776**	**6,368**	**44,305**
Data & Market Intelligence	**34,456**	**7,657**	**33,926**	**76,039**
	126,642	**14,991**	**45,118**	**186,751**
Foreign exchange losses on forward contracts	**-**	**(474)**	**-**	**(474)**
Segment Revenue	**126,642**	**14,517**	**45,118**	**186,277**

Events revenue of £45.1m and print advertising of £4.8m are recognised at a point in time. The remaining subscription and online advertising revenue is recognised over time.

2019	**Subscriptions and content £000**	**Advertising and other £000**	**Events £000**	**Total revenue £000**
Revenue				
by segment and type:				
Asset Management	59,115	5,523	5,977	70,615
Pricing	33,343	2,642	8,588	44,573
Data & Market Intelligence	22,808	6,980	40,108	69,896
	115,266	15,145	54,673	185,084
Sold/closed businesses	-	-	1,143	1,143
Foreign exchange losses on forward contracts	-	(1,293)	-	(1,293)
Segment Revenue	115,266	13,852	55,816	184,934

3 Segmental analysis continued

	Unaudited six months ended 31 March									
	United Kingdom		North America		Rest of World		Eliminations		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	£000	£000	**£000**	£000	**£000**	£000	**£000**	£000	**£000**	£000
Revenue by segment and source:										
Asset Management	**-**	-	**66,433**	70,655	**-**	-	**(26)**	(40)	**66,407**	70,615
Pricing	**19,800**	20,882	**22,237**	21,315	**2,337**	2,448	**(69)**	(72)	**44,305**	44,573
Data & Market Intelligence	**57,503**	57,553	**18,545**	10,495	**4,442**	2,887	**(4,451)**	(1,039)	**76,039**	69,896
Sold/closed businesses	**-**	-	**-**	-	**-**	1,143	**-**	-	**-**	1,143
Foreign exchange losses on forward contracts	**(474)**	(1,293)	**-**	-	**-**	-	**-**	-	**(474)**	(1,293)
Segment revenue	**76,829**	77,142	**107,215**	102,465	**6,779**	6,478	**(4,546)**	(1,151)	**186,277**	184,934
Statutory revenue by destination	**28,100**	23,494	**95,587**	89,612	**62,590**	71,828	**-**	-	**186,277**	184,934

	Unaudited six months ended 31 March							
	United Kingdom		North America		Rest of World		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	£000	£000	**£000**	£000	**£000**	£000	**£000**	£000
Operating profit[1] by segment and source:								
Asset Management	**-**	-	**26,105**	29,370	**-**	-	**26,105**	29,370
Pricing	**8,866**	9,607	**10,737**	9,408	**(2,302)**	(1,786)	**17,301**	17,229
Data & Market Intelligence	**11,378**	16,671	**4,066**	2,669	**(2,061)**	(107)	**13,383**	19,233
Sold/closed businesses	**-**	(104)	**-**	(3)	**(42)**	206	**(42)**	99
Unallocated corporate costs	**(15,073)**	(17,758)	**(252)**	(1,488)	**(349)**	(466)	**(15,674)**	(19,712)
Adjusted operating profit[1]	**5,171**	8,416	**40,656**	39,956	**(4,754)**	(2,153)	**41,073**	46,219
Acquired intangible amortisation[2] (note 12)	**(2,860)**	(2,493)	**(9,213)**	(8,142)	**(18)**	(19)	**(12,091)**	(10,654)
Exceptional items (note 5)	**13,877**	17,647	**(5,461)**	(3,648)	**-**	-	**8,416**	13,999
Operating profit/(loss)	**16,188**	23,570	**25,982**	28,166	**(4,772)**	(2,172)	**37,398**	49,564
Share of results in associates and joint ventures (note 11)							**(191)**	(65)
Finance income (note 6)							**2,083**	880
Finance expense (note 6)							**(1,884)**	(1,044)
Profit before tax							**37,406**	49,335
Tax income/(expense) on profit (note 7)							**2,873**	(13,959)
Profit for the period							**40,279**	35,376

[1] Operating profit before acquired intangible amortisation and exceptional items. A detailed reconciliation of the Group's statutory results to the adjusted results is set out in the appendix to the Half Year Report on pages 6 to 8.

[2] Acquired intangible amortisation represents amortisation of acquisition-related non-goodwill assets such as trademarks and brands, customer relationships, databases and software (note 12).

3 Segmental analysis continued

	Unaudited six months ended 31 March					
	Acquired intangible amortisation		Exceptional items		Depreciation and amortisation	
	2020	2019	**2020**	2019	**2020**	2019
	£000	£000	**£000**	£000	**£000**	£000
Other segmental information by segment:						
Asset Management	**(5,190)**	(5,390)	**(3,932)**	-	**(414)**	(178)
Pricing	**(3,345)**	(3,356)	**(178)**	(1,190)	**(594)**	(344)
Data & Market Intelligence	**(3,459)**	(1,618)	**(1,646)**	(3,033)	**(478)**	(171)
Sold/closed businesses	**-**	(157)	**-**	16,998	**-**	(2)
Unallocated corporate costs	**(97)**	(133)	**14,172**	1,224	**(4,072)**	(1,886)
Total	**(12,091)**	(10,654)	**8,416**	13,999	**(5,558)**	(2,581)

The closing net book value of goodwill, other intangible assets, property, plant and equipment and investments is analysed by geographic area as follows:

	United Kingdom		North America		Rest of World		Total	
	Unaudited six months ended 31 March	Audited year ended 30 Sept	**Unaudited six months ended 31 March**	Audited year ended 30 Sept	**Unaudited six months ended 31 March**	Audited year ended 30 Sept	**Unaudited six months ended 31 March**	Audited year ended 30 Sept
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	£000	£000	**£000**	£000	**£000**	£000	**£000**	£000
Goodwill	**112,871**	102,367	**353,083**	139,246	**4,686**	4,668	**470,640**	246,281
Other intangible assets	**58,356**	42,763	**159,000**	115,898	**460**	479	**217,816**	159,140
Property, plant and equipment	**25,782**	4,617	**47,394**	10,310	**995**	367	**74,171**	15,294
Investments	**9,140**	5,271	**-**	-	**-**	-	**9,140**	5,271
Non-current assets	**206,149**	155,018	**559,477**	265,454	**6,141**	5,514	**771,767**	425,986
Additions to property, plant and equipment	**(60)**	(112)	**(1,427)**	(1,408)	**(10)**	(117)	**(1,497)**	(1,637)

The Group has taken advantage of paragraph 23 of IFRS 8 ‘Operating Segments’ and does not provide segmental analysis of net assets as this information is not used by the Directors in operational decision making or monitoring of business performance.

4 Seasonality of results

The Group’s results are usually not materially affected by seasonal or cyclical trading. For the year ended 30 September 2019, the Group earned 46% of its revenue and 44% of its adjusted operating profits in the first six months of the year (2018: 47% of both revenue and adjusted operating profit in the six months of the year). However, as covid-19 has led to a number of event cancellations in the second half of the year, it is expected that a higher proportion of the current year’s revenues will be earned in the first half, compared to recent years.

5 Exceptional items

Exceptional items are items of income or expense considered by the Directors as being significant, non-recurring and which require additional disclosure in order to provide an indication of the underlying trading performance of the Group.

	Notes	**Unaudited six months ended 31 March 2020 £000**	Unaudited six months ended 31 March 2019 £000	Audited year ended 30 Sept 2019 £000
VAT	a	**10,633**	-	-
Payroll taxes	b	**6,167**	-	-
Other exceptional costs and restructuring	c	**(8,384)**	(4,223)	(11,956)
Profit on disposal of businesses	d	**-**	16,998	16,998
Reduction of deficit on defined benefit pension scheme	e	**-**	1,224	1,224
Impairment charges	f	**-**	-	(2,410)
Exceptional items		**8,416**	13,999	3,856

a. The Group released a provision of £10.6m originally recognised in the 2019 financial statements in respect of UK VAT on supplies between UK group companies for the four years ended 30 September 2018. The potential exposure was identified during the second half of the prior year and after discussing the matter with HMRC during the first half of 2020, the Group was notified on 11 May 2020 by HMRC that no VAT was due on these payments.

b. In the period ended 31 March 2020, the Group released £6.2m of the £8.2m provision held in respect of payroll taxes. This provision was originally recognised in the 2019 Annual Report and Accounts with a restatement for previously unidentified liabilities for payroll taxes relating to off payroll staff, covering the six years to 30 September 2019. Following a meeting with HMRC in February 2020, a settlement amount of £1.2m was agreed in April 2020 and the Group incurred £0.2m of professional fees.

c. For the period ended 31 March 2020, other exceptional costs consist of expenditure associated with the acquisition of BoardEx and The Deal, Wealth-X (note 10) and AgriCensus (note 10), treated as exceptional due to the magnitude of the costs. Also included are costs incurred to support the strategic review of Asset Management as well as significant costs associated with an acquisition that did not complete. The recognition of the earn-out payments for the acquisition of Site Seven Media Ltd (TowerXchange) is treated as compensation costs and included in exceptional items.

   For the periods ended 31 March 2019 and 30 September 2019, other exceptional costs include earn-out payments for the acquisitions of TowerXchange and Random Lengths which were treated as compensation costs. The acquisition related costs for Random Lengths and BoardEx and The Deal which were treated as exceptional due to the magnitude of the costs associated with the acquisitions. Significant costs associated with an acquisition project that didn't complete were treated as an exceptional item. The remaining costs are as a result of a strategic review of Asset Management undertaken and for the major restructuring of CIE, which were treated as exceptional items. Normal restructuring costs are not treated as exceptional items.

d. For the periods ended 31 March 2019 and 30 September 2019, the profit on disposal related to the Group selling Mining Indaba for a profit of £17.0m.

e. For the periods ended 31 March 2019 and 30 September 2019, there was a reduction of £1.2m in the net pension deficit as a result of the Trustees of the Metal Bulletin plc Pension Scheme, which is a defined benefit scheme, changing the scheme rules for the underlying index of deferred revaluation from RPI to CPI.

f. For the period ended 30 September 2019, the impairment charge related to goodwill of £2.4m resulting from the closure of Centre for Investor Education (CIE). Costs associated with this closure are included in the other exceptional costs and restructuring.

6 Finance income and expense

	Unaudited six months ended 31 March 2020 £000	Unaudited six months ended 31 March 2019 £000	Restated Audited year ended 30 Sept 2019 £000
Finance income			
Interest receivable from short-term investments	**253**	804	1,198
Movements in acquisition commitments	**428**	68	-
Movements in deferred consideration	**16**	8	-
Interest on tax	**1,256**	-	-
Fair value remeasurements	**130**	-	675
	2,083	880	1,873
Finance expense			
Interest payable on borrowings	**(698)**	(684)	(1,362)
Interest on lease liabilities	**(926)**	-	-
Net interest expense on defined benefit liability	**(48)**	(123)	(100)
Movements in acquisition commitments	**-**	-	(1,022)
Movements in deferred consideration	**-**	-	(36)
Interest on tax	**(212)**	(237)	(562)
	(1,884)	(1,044)	(3,082)
Net finance income/(expense)	**199**	(164)	(1,209)

	Unaudited six months ended 31 March 2020 £000	Unaudited six months ended 31 March 2019 £000	Audited year ended 30 Sept 2019 £000
Reconciliation of net finance income/(expense) in the Income Statement to adjusted net finance expense			
Net finance income/(expense) in the Income Statement	**199**	(164)	(1,209)
Add back:			
Movements in acquisition commitments	**(428)**	(68)	1,022
Movements in deferred consideration	**(16)**	(8)	36
Fair value remeasurements	**(130)**	-	(675)
Interest on tax	**(1,089)**	170	156
	(1,663)	94	539
Adjusted net finance expense	**(1,464)**	(70)	(670)

The reconciliation of net finance income/expense in the Income Statement has been provided since the Directors consider it necessary in order to provide an indication of the adjusted net finance expense. Refer to the appendix to the Half Year Report for a detailed reconciliation of the Group's statutory results to the adjusted results.

Charges and credits relating to the movements in acquisition commitments and deferred consideration reflect future payments and receipts expected on historical transactions that do not directly relate to the current year results.

The Group's convertible loan note asset was measured at fair value through profit or loss (FVTPL). The fair value remeasurement at 31 March 2020 and 30 September 2019 is an adjusting item as it relates to historical M&A activity rather than the current trading performance and is as a result of the revaluation of the convertible loan note as at 30 September 2019 and up to its conversion on 24 January 2020.

Interest on tax excluded from the adjusted net finance expense consist of an interest charge of £0.2m (September 2019: £0.2m income) for movements in respect of uncertain tax positions and finance income of £1.2m from the release of a provision for interest on payroll taxes amounting to £0.6m and interest on VAT liabilities of £0.6m (note 5). Finance costs of £0.3m at September 2019 arising as a result of the provision for the potential VAT underpayment are excluded as the related charge is not expected to recur. The March 2019 balance comprises interest of £0.2m on a provision in respect of uncertain tax positions.

7 Tax expense on profit

	Unaudited six months ended 31 March 2020	Unaudited six months ended 31 March 2019	Audited year ended 30 Sept 2019
	£000	£000	£000
Current tax (income)/expense			
UK corporation tax expense	**1,662**	5,491	9,438
Foreign tax expense	**5,443**	8,513	14,392
Adjustments in respect of prior periods	**(8,088)**	(242)	(1,718)
	(983)	13,762	22,112
Deferred tax expense/(credit)			
Current year	**(1,694)**	(996)	(1,218)
Impact of change in rate on deferred tax	**(278)**	-	-
Adjustments in respect of prior periods	**82**	1,193	772
	(1,890)	197	(446)
Total tax (income)/expense in Income Statement	**(2,873)**	13,959	21,666
Effective tax rate	**(8%)**	28%	26%

	Unaudited six months ended 31 March 2020	Unaudited six months ended 31 March 2019	Audited year ended 30 Sept 2019
	£000	£000	£000
Reconciliation of tax (income)/expense in Income Statement to adjusted tax expense			
Total tax (income)/expense in Income Statement	**(2,873)**	13,959	21,666
Add back:			
Deferred tax on acquired intangible amortisation	**2,042**	1,426	2,258
Tax on exceptional items	**(3,210)**	(3,594)	(2,664)
Other tax adjusting items	**4,296**	(342)	(479)
Deferred tax on goodwill and intangible amortisation	**(774)**	(1,332)	(843)
Share of tax on profits of associates and joint ventures	**(82)**	(28)	(38)
Adjustments in respect of prior periods	**8,006**	(951)	946
	10,278	(4,821)	(820)
Adjusted tax expense	**7,405**	9,138	20,846
Adjusted profit before tax (refer to the appendix to the Half Year Statement)	**39,336**	46,056	104,647
Adjusted effective tax rate	**19%**	20%	20%

Factors affecting the tax charge

The statutory effective tax rate for the period ended 31 March 2020 is -8% compared with 28% for the period ended 31 March 2019. The forecast statutory effective tax rate for the 2020 full year is 1% (2019 full year: 26%). The difference in statutory effective tax rate between the first half of the year and full year is because of one-off items that were attributable to the period ended 31 March 2020 only.

The drivers of the effective tax rate for the period were as follows:

(i) US state income tax filings

As set out in note 2, a current tax credit of £8.1m and deferred tax credit of £4.2m were recognised following a change in management's intention to file the Group's NY and NYC income tax returns on a combined rather than a separate basis during the period. As a result, the NY and NYC income tax returns for the year ended 30 September 2018 was filed on a combined basis in January 2020. As the Group is within the time limit to amend the NY and NYC income tax returns for the years ended 30 September 2016 and 30 September 2017, management has concluded that the change should apply to these periods as well.

7 Tax expense on profit continued

As the change in intention to file on a combined basis was made in the six-month period to 31 March 2020, the current and deferred tax credits arising as a result is a change in estimate and are adjusted for prospectively in the current period. The current tax credit of £8.1m was recognised as an adjustment to current tax of prior periods. The deferred tax credit of £4.2m on the other hand is a current year movement as it represents the initial recognition of a deferred tax asset relating to US state tax losses that was previously unrecognised on the basis that it was not probable that the losses will be utilised.

(ii) Exceptional items – tax impact on the release of Payroll taxes and VAT provisions

For the period ended 31 March 2020, the Group's tax charge includes a related tax credit on exceptional items of £3.2m (March 2019: £3.6m, September 2019: £2.7m). The 2020 credit relates primarily to the tax impact of the release of £6.2m from the provision relating to off payroll staff and of a £10.6m provision for UK VAT on intra-group transactions. The associated interest accrual for both provisions has also been released (note 6).

(iii) Other disallowable items

During the first half of the year the Group incurred a large amount of disallowable legal and professional fees in the UK relating to M&A activities.

Reconciliation of tax expense in Income Statement to adjusted tax expense

The adjusted effective tax rate for the 2020 half year is 19% (2019: 20%). The forecast adjusted effective tax rate for the 2020 full year is 20% (2019: 20%). The adjusted effective tax rate for the full year is slightly higher as the shift in the geographic mix of profits is expected to occur largely in the second half of the year and is likely to result in a higher proportion of profits being taxed in jurisdictions with higher corporation tax rates.

Tax on exceptional items are excluded as these items are adjusted in accordance with Group policy. Adjustments in respect of prior years are also removed from the adjusted tax expense as they do not relate to current year underlying trading. Share of tax on profits of associates and joint ventures is calculated on the adjusted profits of associates and joint ventures and excludes tax on exceptional items consistent with the Group's approach and policy.

The Group excludes the deferred tax impact of amortisation of intangibles and goodwill as any deferred tax on these items would only crystallise in the event of a disposal and that is not the current intention.

Other tax adjusting items are primarily the removal of the current and deferred tax impact of the US state tax adjustment noted above.

Factors affecting the tax charge in future years and tax attributes

On 11 March 2020, the UK Government announced that a previously enacted reduction in the Corporation Tax rate from 19% to 17% on 1 April 2020 would no longer go ahead and the rate would remain at 19%. The legislation to implement the revised rates was substantively enacted on 17 March 2020 and therefore all UK deferred tax assets and liabilities, which were recognised at 17%, have been recalculated at 19% as at 31 March 2020, resulting in a £0.1m deferred tax credit.

The combined NY and NYC tax filing mentioned above allows the NY and NYC tax losses carried forward (previously unrecognised due to the utilisation of these losses being not probable) to be offset against future profits generated by the combined US group. As a result, an additional deferred tax asset of £4.2m was recognised in respect of the state tax losses carried forward as at 31 March 2020, bringing total deferred tax assets recognised to £6.5m. An increase or decrease of 10% in the cumulative profit before tax for the five years ended 30 September 2025 would change the recognised deferred tax assets at 31 March 2020 by £0.5m.

As at 31 March 2020, the Group has state tax losses carried forward in the US of £175m of which £169m expires in 2025 and £6m expires in 2037. The amount of losses on which a deferred tax asset is recognised is £96m and on which a deferred tax asset is not recognised is £79m.

The Group also has unrecognised deferred tax assets arising from UK non-trading and capital losses of £5.4m and Singapore trading losses of £14.6m. These assets are not recognised because it is not probable, based on the current forecasts, that appropriate taxable profits will be generated in the relevant jurisdictions to enable the Group to utilise these losses for the foreseeable future.

8 Dividends

	Unaudited six months ended 31 March 2020 £000	Unaudited six months ended 31 March 2019 £000	Audited year ended 30 Sept 2019 £000
Amounts recognisable as distributable to equity holders in period			
Final dividend for the year ended 30 September 2019 of 22.30p (2018: 22.30p)	**24,362**	24,348	24,348
Half year dividend for the year ended 30 September 2019 of 10.80p	**-**	-	11,799
	24,362	24,348	36,147
Employee share trust dividends waived	**(368)**	(383)	(561)
	23,994	23,965	35,586
No half year dividend for the period ended 31 March 2020 (2019: 10.80p)	**-**	11,798	
Employee share trust dividends waived	**-**	(178)	
	-	11,620	

The final dividend for the year to 30 September 2019 was approved by shareholders at the AGM held on 28 January 2020 and paid on 13 February 2020.

A half year dividend will not be paid in 2020 (2019: 10.80p per share).

9 Earnings per share

	Unaudited six months ended 31 March 2020 £000	Unaudited six months ended 31 March 2019 £000	Audited year ended 30 Sept 2019 £000
Profit for the period	**40,279**	35,376	61,193
Non-controlling interest	**79**	-	(264)
Total earnings	**40,358**	35,376	60,929
Adjustments	**(8,380)**	1,542	22,586
Total adjusted earnings	**31,978**	36,918	83,515

	Unaudited six months ended 31 March 2020 Number 000	Unaudited six months ended 31 March 2019 Number 000	Audited year ended 30 Sept 2019 Number 000
Weighted average number of shares	**109,261**	109,202	109,226
Shares held by the employee share trusts	**(1,652)**	(1,681)	(1,667)
Weighted average number of shares	**107,609**	107,521	107,559
Effect of dilutive share options	**62**	48	95
Diluted weighted average number of shares	**107,671**	107,569	107,654

	Pence	Pence	Pence
Earnings per share			
Basic	**37.5**	32.9	56.6
Diluted	**37.5**	32.9	56.6
Adjusted earnings per share			
Basic	**29.7**	34.3	77.6
Diluted	**29.7**	34.3	77.6

The adjusted earnings per share figures have been disclosed since the Directors consider it necessary in order to give an indication of the adjusted trading performance reflecting the performance of the Group. A detailed reconciliation of the Group's statutory results to the adjusted results is set out in the appendix to the Half Year Report.

10 Acquisitions and disposals

INCREASE IN EQUITY HOLDINGS

Reinsurance Security (Consultancy).Co.Uk Limited (ReSec)
On 16 March 2020, the Group made an earn-out payment of £0.1m to increase its equity shareholding in Resec. The payment increased the Group’s holding from 88% to 93%.

PURCHASE OF BUSINESS

Wealth-X
On 25 November 2019, the Group acquired 100% of the equity share capital of Wealth-X Pte Ltd and its subsidiaries (Wealth-X) for $21.4m (£16.6m). Wealth-X is the market leading provider of data-driven intelligence on high net worth individuals. Its proprietary platform is embedded in the workflow of banks, wealth managers, luxury brands and non-profit customers. Wealth-X is included in the Data & Market Intelligence segment.

The acquisition accounting is set out below and is provisional pending final determination of the fair value of the assets and liabilities acquired:

	Book value £000	Fair value adjustments £000	Provisional fair value £000
Intangible assets	**-**	**15,198**	**15,198**
Property, plant and equipment	**1,870**	**-**	**1,870**
Trade and other receivables	**1,809**	**-**	**1,809**
Trade and other payables	**(1,851)**	**-**	**(1,851)**
Lease liabilities	**(1,814)**	**-**	**(1,814)**
Deferred tax liabilities	**-**	**(88)**	**(88)**
Contract liabilities	**(5,334)**	**426**	**(4,908)**
Cash and cash equivalents	**1,399**	**-**	**1,399**
	(3,921)	**15,536**	**11,615**
Net assets acquired (100%)			**11,615**
Goodwill			**5,007**
Total consideration			**16,622**
Consideration satisfied by:			
Cash			**15,847**
Working capital adjustments			**775**
			16,622
Net cash outflow arising on acquisition:			
Cash consideration			**16,622**
Less: cash and cash equivalent balances acquired			**(1,399)**
			15,223

Intangible assets represent customer relationships of $1.4m (£1.1m), brands of $1.5m (£1.2m) and databases of $16.7m (£12.9m) for which amortisation of $0.7m (£0.5m) has been charged for the period ended 31 March 2020. The intangible assets will be amortised over their respective expected useful economic lives; customer relationships of 12 years, database of 10 years and brand of 10 years.

Goodwill arises from the anticipated future operating synergies from integrating the acquired operations within the Group and the acquired workforce.

The $0.5m (£0.4m) fair value adjustment to contract liabilities relates to an adjustment to reduce the deferred revenue balance. The deferred tax impact of $0.1m (£0.1m) has been recognised as a fair value adjustment to the deferred tax liability.

Wealth-X contributed £2.9m to the Group's revenue, a loss of £0.6m to the Group's operating profit and a loss of £0.6m to the Group's profit before tax between the date of acquisition and 31 March 2020. If the acquisition had been completed on the first day of the financial year, Wealth-X would have contributed £4.3m to the Group's revenue and a loss of £1.0m to the Group's operating profit.

10 Acquisitions and disposals *continued*

Census Commodity Data (AgriCensus)
On 9 March 2020, the Group acquired 100% of the equity share capital of Census Commodity Data Ltd and its subsidiary (collectively, AgriCensus) for £9m. AgriCensus is a Price Reporting Agency for the global agricultural commodity markets. It is included in the Pricing segment.

The acquisition accounting is set out below and is provisional pending final determination of the fair value of the assets and liabilities acquired:

	Book value £000	Fair value adjustments £000	Provisional fair value £000
Intangible assets	-	794	794
Trade and other receivables	82	-	82
Trade and other payables	(79)	-	(79)
Deferred tax liabilities	-	(151)	(151)
Contract liabilities	(476)	-	(476)
Cash and cash equivalents	202	-	202
	(271)	643	372
Net assets acquired (100%)			372
Goodwill			8,653
Total consideration			9,025
Consideration satisfied by:			
Cash			9,000
Working capital adjustments			25
			9,025
Net cash outflow arising on acquisition:			
Cash consideration			9,025
Less: cash and cash equivalent balances acquired			(202)
			8,823

Intangible assets represent a brand with a value of £0.8m for which no amortisation has been charged for the period ended 31 March 2020 due to the acquisition completing on 9 March 2020. The intangible asset will be amortised over its expected useful economic life of five years. A deferred tax liability of £0.2m has been recognised in respect of this intangible asset.

Goodwill arises from the anticipated future operating synergies from integrating the acquired operations within the Group and the acquired workforce.

AgriCensus contributed £0.07m to the Group's revenue, a loss of £0.03m to the Group's operating profit and a loss of £0.03m to the Group's profit before tax between the date of acquisition and 31 March 2020. If the acquisition had been completed on the first day of the financial year, AgriCensus would have contributed £0.41m to the Group's revenue and a loss of £0.21m to the Group's operating profit.

11 Investments

	Investment in associates £000	Other equity investments £000	Total £000
At 1 October 2018	715	3,161	3,876
Fair value remeasurements	-	2,131	2,131
Transfer from other equity to associate investment	5,292	(5,292)	-
Share of losses after tax	(88)	-	(88)
Dividends	(197)	-	(197)
Transfer to subsidiary	(451)	-	(451)
At 30 September 2019	**5,271**	**-**	**5,271**
Additions	**4,060**		**4,060**
Share of losses after tax	**(191)**	**-**	**(191)**
At 31 March 2020	**9,140**	**-**	**9,140**

All of the above investments in associates and joint ventures are accounted for using the equity method in these condensed consolidated interim financial statements. Other equity investments are classified as financial assets measured at fair value through other comprehensive income.

	Unaudited six months ended 31 March 2020 £000	Unaudited six months ended 31 March 2019 £000	Audited year ended 30 Sept 2019 £000
Reconciliation of share of results in associates and joint ventures in Income Statement to adjusted share of results in associates and joint ventures			
Total share of results in associates and joint ventures in Income Statement	**(191)**	(65)	(88)
Add back:			
Share of tax on profits	**(82)**	(28)	(38)
Adjusted share of results in associates and joint ventures	**(273)**	(93)	(126)

The reconciliation of share of results in associates and joint ventures in the Income Statement has been provided since the Directors consider it necessary in order to provide an indication of the adjusted share of results in associates and joint ventures. Refer to the appendix to the Half Year Report.

11 Investments *continued*

Information on investment in associates, investment in joint ventures and other equity investments:

	Principal activity	Year ended	Date of acquisition	Type of holding	Group interest	Registered office
Investment in associates						
Zanbato, Inc (Zanbato)	Private capital placement and workflow	30 Sept	Sept 2015	Ordinary	12.5%	715 N Shoreline Boulevard, Mountain View CA, 94043, United States
Investment in joint ventures						
Sanostro Institutional AG (Sanostro)	Hedge fund manager trading signals	31 Dec	Dec 2014	Ordinary	50.0%	Allmendstrasse 140, 8041 Zurich, Switzerland
Other equity investments						
Estimize, Inc (Estimize)	Financial estimates platform	31 Dec	July 2015	Ordinary	10.0%	43 West 24th Street, New York , NY 10010, United States

The Group's investment holding in Zanbato increased from 9.9% to 12.5% upon the Group's exercise of a convertible loan note. This results in the £4.1m additions to investments in associates in the period. The Group interests in the remaining investments were unchanged since their respective dates of acquisition.

12 Goodwill and other intangibles

There was an increase in goodwill in the six months to 31 March 2020 of £11.3m, this excludes the reclassification of goodwill which was treated as held for sale at 30 September 2019 of £213.0m. The movement relates to £5.0m which arose on the acquisition of Wealth-X, £8.7m on the acquisition of AgriCensus and offset by £2.4m as a result of exchange differences. The increase in databases and software is largely attributable to the acquisition of Wealth-X (note 10) which included a database with a fair value of £12.9m at acquisition.

The net carrying value of goodwill and other intangible assets is as follows:

	Unaudited as at 31 March 2020 £000	Audited as at 30 Sept 2019 £000
Goodwill	**470,640**	246,281
Trademarks and brands	**93,953**	53,471
Customer relationships	**89,151**	88,650
Databases and software	**18,947**	7,425
Total acquired intangible assets	**202,051**	149,546
Internally generated intangible assets	**15,765**	9,594
Total intangible assets	**217,816**	159,140
Total	**688,456**	**405,421**

Intangible assets, other than goodwill, have a finite life and are amortised over their expected useful lives at the rates set out in the accounting policies in note 1 of the 2019 Annual Report and Accounts.

Acquired intangible amortisation for the period ended 31 March 2020 is £12.1m (March 2019: £10.7m; September 2019: £25.1m).

12 Goodwill and other intangibles *continued*

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's value in use or fair value less costs of disposal. Impairment testing was based on five groups of CGUs which reflect the level at which goodwill is monitored by management.

During the period, in light of the impact of covid-19 on the Group as detailed in note 2, the goodwill in respect of each of the groups of CGUs was tested for impairment in accordance with IAS 36 'Impairment of Assets'.

The recoverable amount for each group of CGUs has been determined using discounted cash flow models. The cash flow forecasts for the next three years are derived from approved 2019 budgets which have been adapted to reflect the current assumptions of the impact of covid-19. The impairment model assumes scenarios whereby there is a decline in 2020 cash flows with no events for the remainder of the financial year and subscriptions and advertising businesses adapting to new ways of working and interacting with their customers. The scenarios assume a stepped return of physical events over the next three years and a global economic recession broadly recovering to 2019 cash flow levels by 2022 or 2023. In the first year the scenario assumes a 5 percentage point reduction in subscription renewal rates, lower new sales and events revenues of 70% of the 2019 financial year. Given these unprecedented times, the outlook remains uncertain. Management believes these cash flows to reflect a reasonable scenario.

Value in use (VIU) models use pre-tax discount rates derived from the Group's benchmarked weighted average cost of capital (WACC), weighted based on the geographical area in which the CGU group's revenue is generated. The long-term growth rates applied are weighted on the same basis.

Fair value less costs of disposal (FVLCOD) is calculated using post-tax discount rates applied to the projected risk-adjusted post-tax cash flows and terminal value.

The discount rates and long-term growth rates used in the calculation are summarised in the below table.

	At 31 March 2020				
	Valuation method	Long-term growth rate	Discount rate	Goodwill	CAGR sensitivities[1]
CGU Group:		%	%	£000	%
Fastmarkets	VIU	2.2	12.6	143,809	(4.0)
Financial & Professional Services	VIU	2.3	12.5	100,789	(10.8)
Telecoms	VIU	2.2	12.6	14,410	(28.6)
Institutional Investor	VIU	2.4	12.7	5,590	(51.0)
Investment Research	FVLCOD	2.3	9.7	206,042	(7.4)

[1] In addition to the assumptions applied as described above for the cash flows, using 2019 as the benchmark the CAGR on cash flows to 2023 would have to change by the respective percentage points for the recoverable amount to fall to the carrying value for the respective CGU Group.

There is no impairment recognised for the period ended 31 March 2020.

For the year ended 30 September 2019, following the closure of CIE, an impairment of £2.4m for goodwill was recognised in exceptional items (note 5). CIE was included in the sold/closed businesses segment.

13 Financial instruments

The Group's financial assets and liabilities are as follows:

	Unaudited as at 31 March 2020	Audited as at 30 Sept 2019
	£000	£000
Financial assets		
Fair value through profit or loss (FVTPL) assets		
Derivative instruments	**260**	312
Convertible loan note	**-**	3,759
Cash and cash equivalents - money market funds	**71,444**	36,333
Classified as held for sale derivatives	**-**	23
Amortised cost		
Receivables	**60,330**	40,628
Cash and cash equivalents - amortised cost	**5,212**	13,418
Classified as held for sale receivables (including cash at bank and short-term deposits)	**-**	22,368
	137,246	116,841
Financial liabilities		
Fair value through profit or loss liabilities		
Derivative instruments	**(3,631)**	(3,871)
Deferred consideration	**(122)**	(138)
Classified as held for sale derivatives	**-**	(106)
Amortised cost		
Acquisition commitments	**(2,092)**	(2,626)
Lease liabilities	**(73,644)**	-
Payables	**(73,282)**	(72,983)
Borrowings	**(68,574)**	-
Classified as held for sale borrowings and payables	**-**	(14,536)
	(221,345)	(94,260)

Fair value of financial instruments
The fair values of financial assets and financial liabilities are determined in accordance with IFRS 13 'Fair Value Measurement' as follows:

Level 1
- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.

Level 2
- The fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.
- Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

Level 3
- If one or more significant inputs are not based on observable market data, the instrument is included in level 3.

13 Financial instruments continued

Other financial instruments not recorded at fair value

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Financial Statements approximate their fair values.

The Group classifies its financial instruments into the following categories:

Financial instrument category	IFRS 9 measurement category	Fair value measurement hierarchy
Derivative instruments	FVTPL[1]	2
Other equity investments	FVTOCI	3
Convertible loan note	FVTPL	3
Deferred consideration asset	Amortised cost	N/A
Receivables	Amortised cost	N/A
Cash and cash equivalents - cash at bank and short-term deposits	Amortised cost	N/A
Cash and cash equivalents - money market funds	FVTPL	2
Classified as held for sale receivables (including cash at bank and short-term deposits)	Amortised cost	N/A
Deferred consideration liability	Amortised cost	N/A
Deferred consideration liability	FVTPL	3
Acquisition commitments	Amortised cost	N/A
Borrowings and payables	Amortised cost	N/A
Classified as held for sale borrowings and payables	Amortised cost	N/A

[1] Changes in fair value to derivatives designated in cash flow hedging relationships, to the extent that the hedge is effective, are taken to the hedging reserve through other comprehensive income. Any ineffectiveness is recognised in profit or loss.

Movements in assets/(liabilities) arising from financing activities:

	As at 30 Sept 2019 £000	IFRS 16 adoption on 1 Oct 2019 £000	Cash flow £000	Interest and other non-cash movements £000	Foreign exchange £000	**As at 31 March 2020 £000**
Net cash comprises:						
Cash and cash equivalents	49,751	-	27,230	198	(523)	**76,656**
Borrowings	-	-	(67,833)	(24)	(717)	**(68,574)**
Net cash	49,751	-	(40,603)	174	(1,240)	**8,082**
Analysis of changes in liabilities from financing activities						
Borrowings	-	-	(67,833)	(24)	(717)	**(68,574)**
Other financing items - Prepaid bank fees	582	-	30	(148)	-	**464**
Interest payable	(1,702)	-	581	(909)	-	**(2,030)**
Acquisition commitments	(2,626)	-	106	428	-	**(2,092)**
Lease liabilities	-	(71,604)	3,204	(5,754)	510	**(73,644)**
Total liabilities from financing activities	(3,746)	(71,604)	(63,912)	(6,407)	(207)	**(145,876)**

14 Borrowings

	Unaudited as at 31 March 2020 £000	Audited as at 30 Sept 2019 £000
Borrowings – non-current liabilities	**68,574**	-
Undrawn available committed facilities	**171,426**	240,000

At 31 March 2020 the Group's principal source of borrowings was provided through a committed bank facility available to the Group until December 2021. There was a further unused accordion facility of £130m available to the Group. Drawings under the revolving credit facility bear interest charged at LIBOR plus a margin, the applicable margin being based on the Group's ratio of adjusted net debt to EBITDA. The Group drew down on its facility in March 2020 by £67.9m. On 24 April 2020 the Group extended the term of its bank facility to December 2022 and reduced the limit of the facility to £188m (note 18). The £130m accordion facility is still available.

15 Called up share capital

	Unaudited as at 31 March 2020 £000	Audited as at 30 Sept 2019 £000
Allotted, called up and fully paid		
109,289,406 ordinary shares of 0.25p each (March 2019: 109,244,946 ordinary shares of 0.25p each) (September 2019: 109,249,352 ordinary shares of 0.25p each)	**273**	273

During the period, 40,054 ordinary shares of 0.25p each with an aggregate nominal value of £100 were issued following the exercise of share options granted under the Company's share option schemes for a cash consideration of £330,446.

16 Contingent liabilities

EC investigation into state aid
On 2 April 2019, the European Commission (EC) announced the details of its final decision on its investigation into the finance company exemption within the UK CFC rules. The EC has found that the finance company exemption is justified where there are no UK activities involved in generating the finance profits, however where financing profit derives from UK activities, the financing exemption is not justified and does constitute state aid.

In common with other UK-based international companies whose arrangements are in line with current UK CFC legislation, the Group is in the process of complying with HMRC's review of all historical CFC financing arrangements and a response to HMRC's current queries into the facts and circumstances of the Group's arrangements will be sent to HMRC by July 2020. Based on the current assessment, no provision is required in respect of this issue. The estimated maximum potential liability remains approximately £8.0m.

17 Related party transactions

The Group has taken advantage of the exemption allowed under IAS 24 'Related Party Disclosures' not to disclose transactions and balances between group companies that have been eliminated on consolidation. Other related party transactions and balances are detailed below:

(i) Daily Mail and General Trust plc (DMGT), and other fellow group companies are no longer related parties. However, they were during the year ended 30 September 2019. The Group expensed services recharged by these companies, as follows:

	Unaudited six months ended 31 March 2020 £000	Unaudited six months ended 31 March 2019 £000	Audited year ended 30 Sept 2019 £000
Services expensed	**-**	57	57

(ii) The Group participates in the Harmsworth Pension Scheme (HPS), a defined benefit scheme operated by DMGT. The Group's share of the HPS surplus is:

	Unaudited as at 31 March 2020 £000	Unaudited as at 31 March 2019 £000	Audited as at 30 Sept 2019 £000
Surplus on defined benefit scheme	**3,024**	1,667	1,511

(iii) During the period, the Group provided services to Risk Management Solutions Ltd, a DMGT subsidiary:

	Unaudited six months ended 31 March 2020 HKD	Unaudited six months ended 31 March 2019 HKD	Audited year ended 30 Sept 2019 HKD
Services provided	**-**	614,968	713,337

(iv) During the period, dividends were paid to Directors:

	Unaudited as at 31 March 2020 £000	Unaudited as at 31 March 2019 £000	Audited as at 30 Sept 2019 £000
Dividends paid	**64**	62	93

(v) During the period, the Group provided services to Zanbato from 26 July 2019 when Zanbato became an associate:

	Unaudited six months ended 31 March 2020 USD	Unaudited six months ended 31 March 2019 USD	Audited year ended 30 Sept 2019 USD
Services provided	**-**	-	41,000

18 Events after the balance sheet date

Revolving credit facility (RCF) and Covid Corporate Financing Facility (CCFF)
On 24 April 2020, the Group extended the maturity of the RCF for an additional year ensuring the facility is available until December 2022. In addition, the facility commitment was reduced from £240m to £188m. On 11 May 2020, the Group was confirmed as an eligible issuer in principle for the CCFF with an issuer limit of £125m.

VAT
In the year ended 30 September 2019, the Group discovered a VAT exposure relating to the understatement of VAT on intra-group transactions in respect of the four years ended 30 September 2018. The Group held further discussions with HMRC on this issue in the first half of 2020 and on 11 May 2020 HMRC concluded that no VAT is due on the exposure identified. This has been accounted for as an adjusting post balance sheet event and the previously held provision for £11.3m (including interest) has been released in full (notes 5 and 6).

Payroll taxes
In April 2020 the Group agreed a settlement of £1.2m with HMRC for the potential payroll taxes exposure identified during the year ended 30 September 2019. This has been accounted for as an adjusting event after the balance sheet date and the Group has therefore released £6.2m from the existing provision (note 5) and an additional £0.6m as an adjusted finance item (note 6).

Direct tax
The Group has fully provided for an exposure relating to an HMRC enquiry, which has a maximum exposure of £10.7m. The court hearing was held on 20-22 May 2020 and the judgement is expected by the end of August 2020. No adjustment to the provision has been made.

Increase in equity holdings
On 21 May 2020, the Group made a payment of £0.8m to acquire an additional 17% of the equity shareholding of Broadmedia Communications Limited. This increased the Group's shareholding to 83%.

Salary deferral
As a measure to preserve cash, in response to the impact of covid-19, the Group has announced a voluntary, temporary reduction in salaries of up to 20%. This will apply to staff earning more than £50,000, or local currency equivalent and covers the period from June to August 2020. In compensation for the reduction in salary, the affected staff will receive shares with an equivalent value of the lost salary in September 2020. This share distribution will be made from the Group's existing Treasury shares. In addition to this, from 1 May 2020 all Directors have taken a temporary 25% reduction in their salaries or fees, except for Andrew Rashbass, CEO, who has taken a 40% cut.

Furlough scheme
In light of covid-19, the Group has taken advantage of government support schemes to further protect jobs and prioritise liquidity. Some UK employees, mainly those involved in events, are on temporary furlough under the UK Government's Coronavirus Job Retention Scheme and the Group is taking advantage of similar job retention and wage support schemes in other countries.

Responsibility Statement

We confirm that to the best of our knowledge:

(a) these Condensed Consolidated Interim Financial Statements, which have been prepared in accordance with IAS 34 'Interim Financial Reporting', give a true and fair view of the assets, liabilities, financial position and profit of the Group as required by DTR 4.2.4R;
(b) this Half Year Report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
(c) this Half Year Report includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board,

Andrew Rashbass
Chief Executive Officer
3 June 2020

Wendy Pallot
Chief Financial Officer
3 June 2020

Independent review report to Euromoney Institutional Investor PLC

Report on the condensed consolidated interim financial statements

Our conclusion
We have reviewed Euromoney Institutional Investor PLC's condensed consolidated interim financial statements (the "interim financial statements") in the Half Year Report of Euromoney Institutional Investor PLC for the six month period ended 31 March 2020. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed
The interim financial statements comprise:

- the Condensed Consolidated Statement of Financial Position at 31 March 2020;
- the Condensed Consolidated Income Statement and Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended;
- the Condensed Consolidated Statement of Cash Flows for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half Year Report have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors
The Half Year Report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Half Year Report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the Half Year Report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half Year Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
3 June 2020

Directors

Executive Directors

Andrew Rashbass (Chief Executive Officer)
Wendy Pallot (Chief Financial Officer)

Non-executive Directors

Jan Babiak †‡ (Senior Independent Director)
Colin Day §‡
Imogen Joss †‡
Tim Pennington § †
Lorna Tilbian §
Leslie Van de Walle ‡† (Chairman)

† member of the Remuneration Committee
‡ member of the Nominations Committee
§ member of the Audit & Risk Committee

Board and Committee Composition Changes

Tim Pennington was appointed as a member of the Remuneration Committee on 1 October 2019.
Colin Day and Imogen Joss were appointed as members of the Nominations Committee on 1 October 2019.
Jan Babiak was appointed as a member of the Remuneration Committee on 30 November 2019.
Jan Babiak stepped down as a member of the Audit & Risk Committee on 30 November 2019.
Tristan Hillgarth stepped down from the Board as a Non-Executive Director immediately following the AGM held on 28 January 2020.
Lorna Tilbian was appointed as a member of the Audit & Risk Committee on 30 April 2020.
Lorna Tilbian stepped down as a member of the Remuneration Committee on 30 April 2020.

Shareholder Information

Financial calendar

2020 half year results announcement	Thursday 4 June 2020
Trading update	Friday 17 July 2020*
2020 final results announcement	Thursday 19 November 2020*
Final dividend ex-dividend date	Thursday 26 November 2020*
Final dividend record date	Friday 27 November 2020*
Trading update	Thursday 28 January 2021*
2021 AGM (approval of final dividend)	Thursday 28 January 2021*
Payment of final dividend	Friday 12 February 2021*

* Provisional dates and subject to change

Company Secretary and registered office
Tim Bratton
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England registered number: 954730

Shareholder enquiries
Administrative enquiries about a holding of Euromoney Institutional Investor PLC shares should be directed in the first instance to the Company's registrars, Equiniti:

Telephone: 0371 384 2951 Lines are open 8:30am to 5:30pm (UK time), Monday to Friday, excluding English public holidays.

Overseas Telephone: (00) 44 121 415 0246

A number of facilities are available to shareholders through the secure online site: www.shareview.co.uk.

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